

Constrained Coordination: How Strategic Interests and Bureaucracy Shape Donor

Coordination

by

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Dissertation submitted in partial fulfillment of  
the requirements for the degree of  
Doctor of Philosophy in Public Policy  
in the Graduate School of  
Duke University

2019

ABSTRACT

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## **Abstract**

Scholars and practitioners recognize the importance of coordination in mitigating the costs of aid proliferation and improving the effectiveness of foreign aid. However, low levels of donor coordination persist. In this dissertation, I address this donor coordination puzzle. I offer a novel theory of coordination called Constrained Coordination, in which I posit that two key factors play a crucial role in shaping coordination. First, I argue that donors strategic interests are a damper on coordination – the greater the strategic political, economic, and security interests of a donor government in a recipient country, the less coordination its aid agency will engage in. Second, I argue that aid agency autonomy is positively associated with coordination – the greater the level of autonomy – or freedom – that an aid agency has from its home government, the more that aid agency will coordinate. In order to test my Constrained Coordination theory, the dissertation uses mix-methods, and includes a quantitative analysis of hundreds of donor agencies’ coordination. I also leverage over one hundred extensive interviews with key stakeholders to present two qualitative case studies of donor coordination in Nigeria and Zambia. Finally, I use qualitative evidence to look at the coordination of South-South donors, a group of donors growing in importance. I find that a donor government’s strategic interests have a significant impact on whether its aid agency will coordinate within recipient countries. Similarly, when a recipient is

strategic to many countries, donors will not be well coordinated. Second, I find that aid agencies with greater levels of autonomy from their home governments coordinate more. And finally, I find that these effects amplify one another – a high autonomy donor working in a low priority country coordinates more than any other combination of strategic interests and autonomy.

## **Dedication**

I dedicate this dissertation to my family: to Mom, Dad, Bola, Niyi and Tosin; to my sweet, strong grandmother; and to all my family in Nigeria.

# Table of Contents

Abstract .....	iv
List of Tables .....	xiv
List of Figures .....	xvi
Acknowledgements .....	xvii
1. Introduction .....	1
1.1 Donor Coordination in Foreign Aid.....	5
1.2 Why Care about Donor Coordination?.....	8
1.2.1 Aid Effectiveness.....	9
1.2.2 Donor Proliferation: A Concerning Trend.....	10
1.2.3 Consequences of Proliferation and the Need for Coordination.....	14
1.3 What is Coordination?.....	17
1.3.1 Levels of Donor Coordination.....	18
1.3.2 Types of Donor Coordination .....	20
1.3.3 Within-Country Coordination.....	22
1.4 A Theory of Constrained Coordination.....	24
1.4.1 Strategic Interests and Coordination.....	25
1.4.2 Aid Agency Autonomy and Coordination.....	26
1.4.3 The Argument: Constrained Coordination .....	28
1.4.4 Alternative Hypotheses.....	30
1.5 Plan of the Dissertation .....	30

2. Constrained Coordination: A Theory of Donor Coordination.....	33
2.1 Donor Governments: Strategic Interests and Priorities.....	35
2.1.1 Substantive Motivations.....	36
2.1.2 Historical and Cultural Motivations .....	41
2.2 Aid Agencies: Bureaucratic Autonomy and Pro-Development Goals .....	43
2.2.1 Bureaucracy in Foreign Aid.....	44
2.2.2 Aid Agencies and Pro-Development Motivations .....	47
2.2.3 Political Control over Aid Agencies.....	50
2.3 Constrained Coordination and Theoretical Predictions.....	57
2.3.1 Constrained Coordination: A Theory of Donor Coordination.....	57
2.3.2 Empirical Predictions.....	60
2.4 Conclusion .....	64
3. Research Design and Methods.....	66
3.1 Quantitative Research Design.....	67
3.1.1 Data .....	67
3.1.2 Analysis .....	70
3.2 Qualitative Research Design .....	70
3.2.1 Issue Area Context: HIV/AIDS.....	71
3.2.2 Country Case Selection.....	74
3.2.3 Southern Donor Case Selection.....	77
3.2.4 Data and Analysis .....	80



4. A Bird’s Eye View of Coordination Cross-national Donor and Recipient Comparisons .....	83
4.1 Data .....	87
4.1.1 Sample .....	87
4.1.2 Dependent Variables: Donor Coordination .....	89
4.1.3 Strategic Interests .....	91
4.1.4 Autonomy .....	96
4.1.5 Controls .....	100
4.2 Dyad-Level Analysis .....	103
4.2.1 Descriptive Statistics .....	103
4.2.2 Analytical Strategy .....	106
4.2.3 Donor Level Results .....	108
4.3 Recipient-Level Analysis .....	115
4.3.1 Descriptive Statistics .....	115
4.2.2 Analytical Strategy .....	118
4.3.3 Recipient-Level Results .....	119
4.4 Summary of Findings .....	122
4.4.1 Strategic Interests .....	123
4.4.2 Agency Autonomy .....	125
4.4.3 Interaction: When Autonomy and Strategic Interests Meet.....	128
4.4.4 Controls .....	128
4.5 Conclusion .....	130

5. Donor Coordination for Health & HIV/AIDS in Nigeria .....	132
5.1 Health and HIV/AIDS in Nigeria .....	134
5.1.1 Health and Health Care in Nigeria.....	135
5.1.2 The HIV/AIDS Response in Nigeria.....	139
5.2 Coordination of Aid for Health and HIV/ AIDS .....	145
5.2.1 Health Sector Coordination .....	148
5.2.2 HIV/AIDS Donor Coordination .....	153
5.2.3 Consequences of Coordination Challenges.....	165
5.3 Constrained Coordination: Explaining Nigeria’s Coordination Challenges.....	168
5.3.1 Nigeria as a High Priority Country .....	169
5.3.2 Donor Political and Economic Interests.....	173
5.3.3 Autonomy and Other Bureaucratic Issues .....	178
5.4 Conclusion .....	181
6. Donor Coordination for Health and HIV/AIDS in Zambia .....	184
6.1 Health and HIV/AIDS in Zambia .....	186
6.1.1 Aid in Zambia’s Health Sector .....	186
6.1.2 Aid in Zambia’s HIV/AIDS Response.....	187
6.2 Donor Coordination in Zambia .....	189
6.2.1 1993-2009: High Levels of Coordination in Zambia.....	190
6.2.2 2009-2017: Re-starting Coordination and Variation in Donor Agency Engagement in Coordination .....	198
6.3 Constrained Coordination in Zambia.....	203

6.3.1 Zambia as a Low Priority Country .....	204
6.3.2 Donor Political and Economic Interests.....	206
6.3.3 Autonomy and Other Bureaucratic Issues .....	209
6.4 Conclusion .....	212
7. Non-DAC Donors & Coordination.....	215
7.1 Who are Southern Donors?.....	217
7.1.1 Distinguishing Southern Donors .....	218
7.1.2 Southern Aid Volumes and Recipients.....	221
7.2 Southern Donors and Constrained Coordination? .....	224
7.2.1 Strategic Priorities .....	224
7.2.2 Agency Autonomy.....	226
7.2.3 Studying Southern Donor Coordination .....	229
7.3 Do Southern Donors Coordinate their Aid? .....	234
7.3.1 Southern Donors Do Not Engage Most Within-Country Coordination.....	234
7.3.2 Southern Donors Do Not Prioritize Coordination .....	236
7.3.3 Coordination is a Norm That Southern Donors Do Not Share.....	238
7.4 Conclusion .....	240
8. Conclusion .....	243
8.1 Overview of the Constrained Coordination Findings.....	243
8.1.1 Strategic Interests and Coordination.....	243
8.1.2 Aid Agency Autonomy and Coordination.....	245

8.1.3	When Autonomy and Strategic Interests Meet.....	246
8.1.4	South-South Donors’ Coordination.....	247
8.2	Alternative Hypotheses .....	247
8.2.1	Good Governance .....	248
8.2.2	Path Dependency .....	248
8.3	Theoretical Significance .....	250
8.3.1	Contributions to the Strategic Interests Literature .....	250
8.3.2	Contributions to the Agency Autonomy Literature.....	251
8.3.3	Contributions to the Donor Coordination Literatures.....	251
8.3.4	Contributions to Literature in Global Health and HIV/AIDS Governance.....	252
8.3.5	Contributions to the Literature on Non-DAC Donors.....	253
8.4	Policy Implications .....	253
8.4.1	Structural Autonomy May Be Shrinking – But That’s Okay.....	254
8.4.2	Recipient Governments Can Cherry-Pick Amenable Coordinators .....	255
8.4.3	Traditional Donors Should Offer Southern Donors a Seat the Table .....	256
8.4.4	Constrained Donors Are Not Willing/Able Coordinate on Some Issues, But Will Coordinate on Other Issues.....	256
8.5	Conclusion .....	257
8.5.1	Avenues for Future Research .....	258
Appendix A: Sources of Strategic Interests & Controls.....		260

Appendix B: Constructing the Aid Agency Autonomy Index .....	261
Appendix C: Interview Guide.....	265
Appendix D: Interviewee Organization List.....	267
Appendix E: Sample Donors and Recipients .....	272
Appendix F: Descriptive Statistics.....	277
Appendix G: Additional Regression Results .....	278
Works Cited .....	284
Biography .....	298

## List of Tables

Table 2.1: Explaining Coordination.....	60
Table 2.2: Similarities and Differences between Case Countries .....	75
Table 2.3: Interview Respondents.....	81
Table 4.4: Components of Autonomy Composite Variable .....	96
Table 4.5: Descriptive Statistics, Donor-Level Data .....	104
Table 4.6: Donor-Level Results, Composite Variables.....	109
Table 4.7: Donor-Level Results, Deconstructed.....	114
Table 4.8: Recipient-Level Descriptive Statistics .....	115
Table 4.9: Recipient-Level Results .....	121
Table 5.10: Health Spending in Nigeria, 2015 .....	136
Table 5.11: Nigeria’s Top Health Donors, 2016.....	139
Table 5.12: HIV/AIDS Prevalence .....	140
Table 5.13: Funding Sources for Nigeria’s Largest HIV Donors .....	143
Table 5.14: HIV/AIDS Technical and Thematic Working Groups .....	161
Table 5.15: Three One’s Principles in Nigeria.....	166
Table 5.16: Nigeria as a High Priority Country .....	170
Table 6.17: Zambia Sector-Wide Approach Membership: 1993-2009 .....	191
Table 6.18: Swedish Aid to Zambia’s Health Sector .....	199
Table 6.19: Zambia as a Low Priority Country .....	205
Table 7.20: Southern Donors.....	219

Table 7.21: Southern Donor Aid Volumes.....	222
Table 7.22: Goals and Rhetoric of Donors.....	226
Table 7.23: Selected Southern Donor Agencies.....	227
Table A.24: Measures of Strategic Interests of Donor Governments.....	260
Table B.25: Variables and Categories in Autonomy Index .....	262
Table D.26: Interviewee Organization List.....	267
Table E.27: Recipients in Donor-Level Analyses .....	272
Table E.28: Recipients in Donor-Level Analyses .....	274
Table E.29: Recipients in Donor-Level Analyses .....	276
Table F.30: Donor-Level Descriptive Statistics.....	277
Table G.31: Donor-Level Results, with Population in Composite Strategic.....	278
Table G.32: Donor-Level Interaction Results .....	279
Table G.33: Recipient-Level Results, Autonomy & Strategic, Full Results.....	280
Table G.34: Recipient-Level Results, Deconstructed Autonomy & Strategic.....	281
Table G.35: Recipient-Level Results – Strategic-Only, Full Results .....	282
Table G.36: Recipient-Level Results – Strategic-Only, Deconstructed .....	283

## List of Figures

Figure 1.1: Within-Country Proliferation: Average Number of Bilateral Donors per Recipient, 1973-2003.....	11
Figure 1.2: Within-Country Proliferation: Number of Aid Projects, 1973-2007 .....	13
Figure 2.3: Donor Level Predictions .....	63
Figure 2.4: Country Level Predictions.....	64
Figure 2.5: Country Level Predictions.....	76
Figure 2.6: South-South Coordination Predictions.....	78
Figure 4.7: Interaction of Strategic Pathways.....	86
Figure 4.8: Autonomy in Donor Sample, 2006–2017 .....	99
Figure 4.9: Visual Descriptive Statistics.....	105
Figure 4.10: Joint Effects of Autonomy & Strategic Interests.....	110
Figure 4.11: Basic Plot, Strategic × Autonomy .....	112
Figure 4.12: Basic Plot - Strategic Interests, Recipient-Level Coordination.....	117
Figure 5.13: Share of ODA to Nigeria by Sector .....	138
Figure 5.14: Estimated HIV/AIDS Funding Sources, Nigeria.....	145
Figure 5.15. Map of Nigeria Health Sector Coordination.....	150
Figure 5.16: Map of Nigeria Donor Agency Coordination – HIV/AIDS .....	159
Figure 5.17: Map of Nigeria HIV/AIDS Spending .....	164
Figure 6.18: HIV/AIDS Funding Under SWAp (1993-2009).....	193



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# 1. Introduction

[Aid] should be coordinated; otherwise... the poor health minister is dealing with dozens of different donors and dozens of different forms to fill out. It should be transparent. Where possible, it should flow through governments... By almost all of these measures, foreign aid is failing. It is as coordinated as a demolition derby... Donors try to reward decent regimes and punish bad ones, but their efforts are undermined by other countries and by their own impatience. It is extraordinary that so many clever, well-intentioned people have made such a mess.

– The Economist, June 2016

## A Tale of Two Crises

In February 2004, multiple newspapers ran stories alerting the international community about a problem in Nigeria – stocks of critical HIV/AIDS drugs were running low, and there was the potential for serious, tragic consequences. Antiretroviral drugs – or ARVs – were in short supply, and uninterrupted treatment for 14,000 patients who relied on the government-subsidized ARV therapy was now in doubt.<sup>1</sup> This news came just two years after Nigeria launched Africa's biggest AIDS control program aimed at distributing cheap generic drugs from India.<sup>2</sup> It took until December 2004, eleven months later, to fully restock the necessary drugs. In the end, people whose HIV/AIDS treatments were interrupted had more drug resistant mutations of the disease (Meloni et al. 2017).

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<sup>1</sup> IHS Global Insight, 2004

<sup>2</sup>

Just a few months later, in August 2004, global press and activists were sounding alarm bells half a continent away – ARVs were now in short supply in Zambia. Activists were adamant that “a lack of adequate planning by the government” was the central problem in ARV procurement and distribution, and more than 10,000 people living with HIV would suffer.<sup>3</sup> In 2007, there was another significant shortage in ARVs for children and HIV testing kits. There was a major stock out again in Zambia 2013, and for over four months people living with HIV and AIDS were asked to make do with what was available. Clearly, shortages of essential HIV/AIDS care and prevention goods were a significant problem that plagued Zambia and Nigeria.

Today, the supply chain in Zambia is vastly improved. While Zambia still experiences localized stock-outs from time to time, the country has a national supply chain plan that guides investments, and the Government of Zambia manages processes and systems that ensure appropriate ARVs are in stock and in the right locations.<sup>4</sup> Beginning in 2009, international donors worked together and with the Government of Zambia to create the electronic Logistics Management Information System (eLMIS) – a sophisticated information system that provides better visibility into the logistics information system (Shen 2016). Multiple actors continue to contribute towards commodity security and supply chain including the United States Global Fund to Fight

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<sup>3</sup> [IRIN, 2004](#)

<sup>4</sup> [PEPFAR Country Operational Plan Report, 2018](#)

AIDS, Tuberculosis and Malaria, the World Bank, Japan, the United Kingdom, Sweden, and the European Union.<sup>5</sup> A September 2018 report concluded that the system “has improved supply chain performance around the key supply chain indicators of reporting and commodity availability” and that eLMIS “will generate cost savings in specific areas through improving supply chain processes.”<sup>6</sup> In a testimony to United States House of Representatives, a high-level USAID administrator highlighted the success of Zambian supply chain improvements, calling the system “a resilient national system that has maintained product-availability above 90 percent, even as the volume of commodities it manages has more than doubled.”<sup>7</sup>

Unfortunately, Nigeria has continued to be plagued with ARV shortages. In the Fall 2016, the UN stated that Nigeria faced another severe ARV shortage, and many adults resorted to taking pediatric ARV treatments, an action which heightens the chances of creating drug-resistant strains of the disease.<sup>8</sup> There were also stock-outs of viral load tests and standard HIV test kits. The Government of Nigeria, however, argued that shortages were not the problem – with the Minister of Health claiming in an interview that there was no shortage of drugs despite international sources testimony.

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<sup>5</sup> PEPFAR Country Operational Plan Report, 2018

<sup>6</sup> JSI Report, 2018

<sup>7</sup> Testimony of USAID Senior Deputy Administrator, Bureau for Global Health, Irene Koek before the House Foreign Affairs Committee, May 2018.

<sup>8</sup> PUNCH Newspaper, 2016

However, as recently as 2018 donor documents note a greater number of stock-outs than they planned for.<sup>9</sup> Every annual report about the American HIV/AIDS Program rates “Supply Planning and Stock Status Coordination” among donors as unsustainable, and requiring significant investment.<sup>10</sup> Despite multiple attempts to create a single logistics system, Nigeria has “multiple unharmonized or parallel information systems that exist and are managed and operated separately by various government entities, local institutions and/or external agencies/institutions.”<sup>11</sup>

Every one of the donors that are working together in Zambia also works in Nigeria – but they have not been able work together to address the frequent drugs shortages in the country. Why have donors come together to solve the problem of stock outs in Zambia, but not in Nigeria? I argue that donors do not coordinate in Nigeria because it is a high priority country, and they do coordinate in Zambia because it is a low priority country. That is to say, donor countries have more material interests in Nigeria – including trade flows, security concerns, migration issues, and more – than they do in Zambia. I also argue that donor agencies are more or less active in coordination efforts based on their autonomy – the freedom they have from their home governments to set their own policies. This dissertation is an original piece of research

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<sup>9</sup> Daily Trust, 2016; PEPFAR Country Operational Plan Report, 2018

<sup>10</sup> PEPFAR Country Operational Plan Report, 2018

<sup>11</sup> PEPFAR 2016 Sustainability Index and Dashboard Summary: Nigeria



that uses these factors – donors’ non-development interests and aid agency autonomy – to explain why donors fail to coordinate despite the potentially dire consequences as seen in Nigeria.

### **1.1 Donor Coordination in Foreign Aid**

The international donors in the example above provide foreign aid assistance to Zambia and Nigeria. Foreign aid is a policy tool often used by governments to promote international development. Foreign aid consists of voluntary transfer of financial flows, technical assistance, and commodities to a government, to an NGO, or to an organization, that are designed to promote economic development and welfare as their main objective. While there are many forms of financial and resource flows between countries, money must be provided largely as either grants or subsidized loans in order to be considered as foreign aid.<sup>12</sup> Scholars of foreign aid have identified various implicit and explicit rules and ideas that shape the way donor governments and agencies interact with recipient governments and agencies. Increasingly, there are best practices and strong norms for how donors interact with one another.

One such best practice is donor coordination. Donor coordination is an amorphous concept that broadly refers to the mechanisms, arrangements, and

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<sup>12</sup> Definition is taken from Official Development Assistance, OECD, 2016, and enhanced by Radelet's (2006) and Lancaster's (2008) broad definitions of foreign aid.

partnerships among donors with the aim of maximizing the effectiveness of foreign aid at the national or sectoral level (Regional Office for Europe of the World Health Organization (2009). Donors expend significant time and resources attempting to coordinate, though there is sparse evidence the link between coordination and better development outcomes. Despite this, coordination is now considered to be a standard or “best practice” in foreign aid delivery, but measurement and practice of coordination are relatively new. We know very little about how and why donors coordinate – or do not coordinate – though scholars and practitioners have noted that donors do not coordinate at very high levels.

In this dissertation, I address this gap by examining coordination practices of bilateral governments – or government donors.<sup>13</sup> I break governments down into two distinct actors: donor governments and aid agencies. Donor governments are sovereign governments of nation-states that give foreign aid from their national budget. These donor governments provide aid to low and middle-income countries in order to reach international development goals and other objectives that are of benefit to their constituents. Alternatively, aid agencies are the bureaucratic institutions that administer aid on behalf of donor governments.

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<sup>13</sup> In reality, donors range in origin, and include bilateral aid agencies reporting to governments, aid administering branches of multilateral international organizations, and philanthropic arms of large charitable foundations (Alesina and Dollar 2000; Davies and Klasen 2011).

The central argument of this dissertation is that donors' coordination practices is a function of (1) a donor government's non-development interests in a recipient country, and (2) the relationship and differing priorities between a donor government and its accompanying aid agency. Donor governments have strategic priorities – political, economic, and security interests in recipient countries – which they want to achieve, but that may be at odds with coordination. Conversely, aid agencies are pro-development bureaucracies that adhere to best practices (like coordination) in the absence of tight control. These dynamics differ across donor countries and their aid agencies. I predict that when a donor government has tighter control over its aid agency, it will dampen coordination by that aid agency. In short, my theoretical argument, which I call Constrained Coordination, posits that a donor government's political and economic interests in a recipient country and the difference in goals between governments and their aid agencies – and the relationship between these institutions – explains the poor coordination outcomes that scholars and practitioners have noted.

To make these arguments, this dissertation builds on previous political science literature on foreign aid, which emphasizes that bilateral donors have many reasons for where, when, how, and why they give aid – only some of which are directly related to development outcomes. In short, these political theories on donor allocation argue that donors are motivated to give aid in response to political and strategic motives. These political, economic, and security concerns play a considerable role how much and where

donor governments send development aid. I posit that similar forces shape the way donors work together, and show that to understand the world of donor coordination, one must look at the strategic interests of donors. Specifically, this dissertation considers the various channels through which strategic interests may moderate coordination outcomes. First, through the strategic relationships donor governments have with recipients, and second each government's bureaucratic control over its aid agencies. The variation in these factors shapes the level of coordination that donors engage in.

The structure of this introductory chapter is as follows. First it talks about the necessity of coordination. It defines and describes donor proliferation, demonstrates the role proliferation plays in driving aid fragmentation and associated costs. Section I also provides a typology of coordination and the many forms it takes in the literature, and demonstrates the need for research on why donors fail to coordinate within recipient countries.

## ***1.2 Why Care about Donor Coordination?***

Proponents of increasing coordination levels argue that coordination is an avenue for increased effectiveness of aid. Aid effectiveness captures the ability of foreign aid to promote economic growth or other development objectives (Bourguignon and Sundberg 2007; Doucouliagos and Paldam 2008, 2009; Edwards 2014; Sundewall 2009). Scholars and practitioners of international development have long been concerned with

the effectiveness of foreign aid, and have produced substantial work on this topic.<sup>14</sup> This ties directly to the debates on the effectiveness of foreign aid in achieving development outcomes like economic growth, public health, education, and more.

### **1.2.1 Aid Effectiveness**

Assessing the effectiveness of aid has not proven to be a simple task. Many studies in the aid effectiveness literature address the ability of aid to drive economic growth. There is wide variance in the results of these studies. Some scholars argue that aid is, with some conditions, successful in achieving development objective like reducing poverty and infant mortality rates, or increasing economic growth, access and tenure of education for youth, and life expectancy (Arndt, Jones, and Tarp 2015; Dollar and Pritchett 1999; Burnside and Dollar 2000b). Conversely, there are many who conclude that aid is ineffective. Some believe the problems lie with the aid agencies themselves, citing high overhead costs and perverse incentives facing donor agencies and workers undermine potential effectiveness (Easterly 2002; Easterly and Pfutze 2008).<sup>15</sup> Others argue that aid itself is inherently problematic – that it is propping up corrupt autocrats, spent through ineffective channels like activity-tied aid, food aid, and

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<sup>14</sup> There is also a literature available about the efficiency of foreign aid. Efficiency refers to the maximization of the uses of aid per dollar (Sundewall 2009). This dissertation deals overwhelmingly with aid effectiveness, largely leaving the efficiency of aid aside.

<sup>15</sup> Cooley and Ron (2002) argue that similar problems exist in the international and domestic nongovernment organizations (INGOs and NGOs).

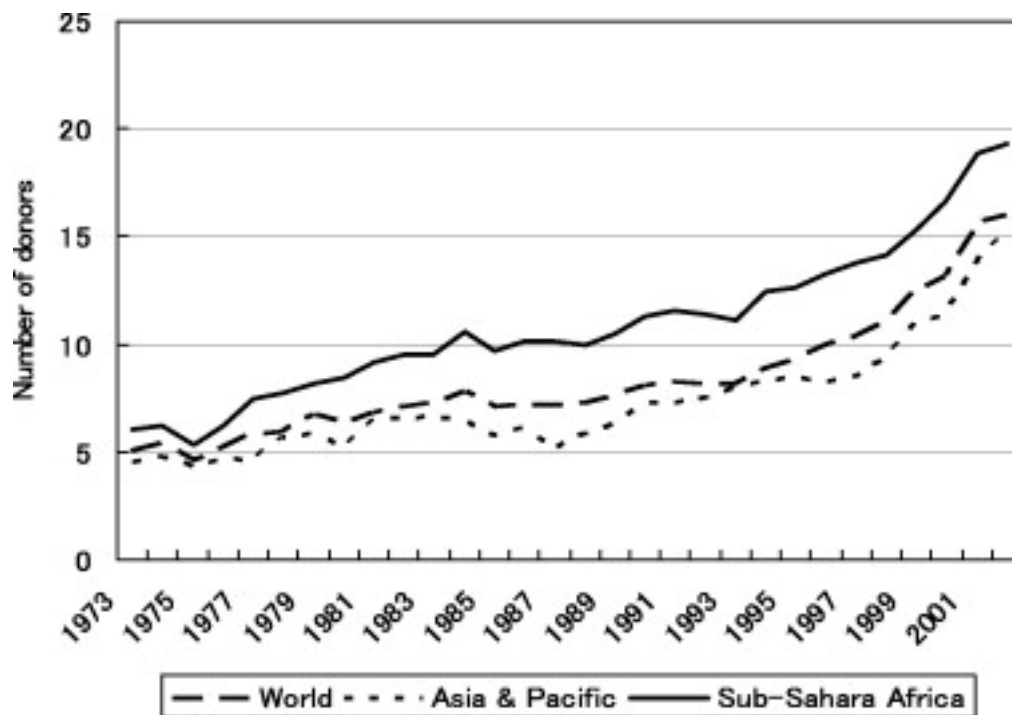
wasted on ineffective technical assistance – and a new system of engagement between richer and poorer countries is needed (Easterly 1999, 2002; Easterly, Levine, and Roodman 2004; Easterly and Pfutze 2008; Knack and Smets 2013; Moyo 2009).

All in all, there is not a clear conclusion in the aid effectiveness literature about the long-term effectiveness of aid. However, it is generally agreed upon that donor coordination is an avenue that can increase the effectiveness of aid, especially given the growth in the number of donor governments, aid agencies, and aid projects happening within recipient countries around the world.

### **1.2.2 Donor Proliferation: A Concerning Trend**

A key argument for increased donor coordination is that aid effectiveness is becoming increasingly undermined by proliferation (Aldasoro, et. al. 2010; Easterly 2008; Frot and Santiso 2009; OECD 2011). The term aid proliferation (or donor proliferation) refers to the increasingly divided way aid is disbursed. Research on proliferation is a branch of the aid effectiveness literature that describes and measures the impact of a large and growing number of donors. Despite the conflicting findings of the general effectiveness literature, there is wide agreement that aid proliferation leads to ineffectiveness. Elliott Morss (1984) was one of the first authors to capture the phenomena in academic circles, but it was not until the mid-2000's that scholars began to explore proliferation in depth.

Donor proliferation describes the increasing numbers of donors entering the donor pool. There are various sources of this increase. First, since the inception of modern aid, more developed countries have become donors (Acharya, De Lima, and Moore 2006; Morss 1984; Frot and Santiso 2009). Second, governments of countries that were previously (or are still) considered to be developing countries have now transitioned to become donors in their own right. For example, Brazil, China, Russia, and Venezuela are all former (or current) aid recipients that now provide aid to other countries (Frot and Santiso 2009).



Source: Kimura, Mori, and Sawada (2012) from OECD-DAC Country Reporting System

**Figure 1.1: Within-Country Proliferation: Average Number of Bilateral Donors per Recipient, 1973-2003**

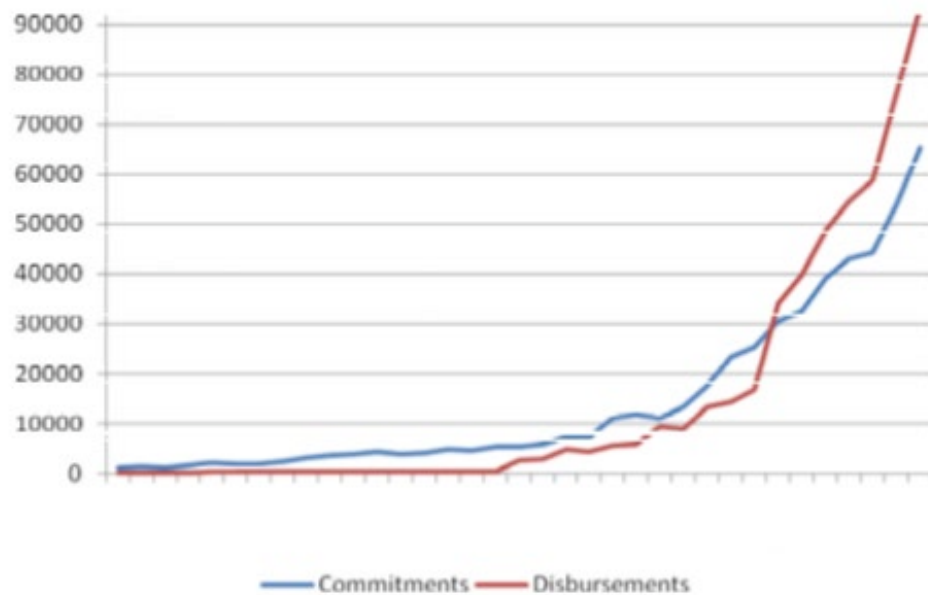
Third, developed country governments and new donor governments of rich countries are increasingly disbursing their aid through newly formed donor agencies and initiatives (Frot and Santiso 2009). A fourth source of new foreign aid are private organizations (Büthe et. al. 2012; Dickinson and Attawell 2011; Frot and Santiso 2009). Finally, global and regional multilateral organizations are increasingly becoming important donors,<sup>16</sup> and are also dividing their aid among more implementing agencies and initiatives (Acharya, De Lima, and Moore 2006). Together, these trends have given rise to an increase in the number of donors operating in recipient countries in a given year.

Evidence suggests that aid proliferation is a growing problem in the donor community, and within-country donor proliferation is a potential problem across all areas of international development. Donors are breaking up their budgets across a larger number of projects in an increasing number of recipients, resulting in an increase in the average number of donors working within recipient countries, as show in Figure 1.1 and Figure 1.2 (Acharya, De Lima, and Moore 2006; Frot and Santiso 2009; Kimura, Mori, and Sawada 2012).

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<sup>16</sup>Johnson (2014) also shows that these types of organizations are themselves proliferating.





Source: Frot and Santiso (2009, 14)

**Figure 1.2: Within-Country Proliferation: Number of Aid Projects, 1973-2007**

Proliferation is not an issue in and of itself, as more donors and smaller projects are not inherently problematic. There are some that point to the benefits of having multiple donors. For example, competition for recipient government attention may drive donors to seek and implement more innovative development strategies. Along these lines, Frot and Santiso (2009) suggest that there can be too few donors working in one recipient country or one sector. It is unlikely that donor with a “monopoly” in aid disbursements in a country would disburse their aid in the most effective or efficient fashion. However, while some acknowledge that poor countries depending on a single

country for aid might have fortunate consequences, most of the literature is concerned with the growing trend of proliferation.

### **1.2.3 Consequences of Proliferation and the Need for Coordination**

Scholars have noted several problems associated with aid proliferation. First, and most often cited, the aid proliferation causes administrative burden within recipient country institutions (Knack and Rahman 2007; Lawson 2010; Roodman 2006; Woods 2005). This occurs when donors add additional reports, meetings, and other requirements that place a strain on the recipient government. Managing aid flows from many different donors is a huge challenge for recipient countries, since different donors often insist on using their own unique processes for initiating, implementing, and monitoring projects. For example, Radelet (2006) states that recipient countries often manage flows from 30 or more aid agencies across a wide variety of sectors, with each sending an average of five missions a year to oversee their projects.

There is a fair amount of evidence that dealing with such a multitude of donors causes administrative burden. Knack and Rahman (2007) consider a scenario where each donor is trying to maximize the poverty reducing impact of its own projects and uses some level of recipient country resources as an input in the process. They find lack of coordination thus leads to excessive demand for scarce resources (operationalized in the study as staff) in the recipient countries. Using a game-theoretic framework, (Roodman

2006) argues that if there are multiple donors who care most about the success of their own projects, a negative externality arises through competition for scarce recipient resources.

Administrative burden is a problem for donors as well. Donors themselves feel this added cost, in slower government processes, shortage of qualified workers, increased corruption, and the other consequences of burden that increase the transaction costs of donorship (Bourguignon and Platteau 2015; Djankov, Montalvo, and Reynal-Querol 2009; Knack and Rahman 2007; Roodman 2006). Administrative burden could be addressed through increased donor coordination (Frot and Santiso 2009; Knack and Rahman 2007; Lawson 2010). If not addressed, this form of burden can create room for other forms of institutional inefficiency and breakdown. Djankov et. al (2009) provides some evidence that the increased proliferation and fragmentation are associated with increased corruption in recipient governments.

Aid proliferation can also lead to duplication of efforts (Djankov, Montalvo, and Reynal-Querol 2009; Easterly and Pfutze 2008; Lawson 2010; Radelet 2006; Severino 2010; Steinwand 2015). Donors often focus on the same needs in a country and may duplicate each other's efforts in the absence of coordination. Again, this is problematic when donors do not coordinate within recipient countries, or even on state or regional levels within a recipient.

Another route through which proliferation lead to ineffective uses of foreign aid is by increasing the likelihood of cross-purposes. The projects implemented by various uncoordinated donors may conflict and undermine development objectives. For example, Lawson (2010) cites that farmers, election officials, or health providers often receive contradictory guidance from technical advisors provided by different donors. Uncoordinated activities may also result in donors competing for the same resources: staff, materials, and more, potentially undermining the effectiveness of their own projects (Chandy and Kharas 2011; Lawson 2010; Samb et al. 2009).

In the absence of coordination, donor proliferation can also lead to loss of scale. Experts argue that a donor trend toward supporting higher numbers of lower-value projects dilutes the impact of aid and threatens activities that have high fixed costs and are most effective on a large scale, such as energy and infrastructure improvements (each of which have their own critics) (Lawson 2010; Samb; et al. 2009).

Finally, the presence of multiple donors may lead to unclear leadership in the donor community (Aldasoro, Nunnenkamp, and Thiele 2010; Lawson 2010). This problem is also particularly poignant within an individual recipient country. In many recipient countries, there is no lead donor with clout or authority to convene other donors. (Steinwand 2015; Tarnoff and Lawson 2009) In the past, the presence of lead donors helped to coordinate other donors and reduce the transaction costs of proliferation. But Steinwand (2015) finds that lead donorship has been in steady decline.

Proponents of coordination argue that it can help to mitigate each of these costs, thus improving the effectiveness of aid (Lawson 2010). A common conclusion in the literature is that donors should simply “coordinate” by specializing in certain regions, countries, or sectors (Acharya, De Lima, and Moore 2006; Aldasoro, Nunnenkamp, and Thiele 2010). But research shows that donors do not often specialize, despite the potential benefits (Nunnenkamp, Öhler, and Thiele 2013; Nunnenkamp, Sotirova, and Thiele 2015).

### **1.3 What is Coordination?**

In response to the costs of proliferation outlined in the previous section, scholars, practitioners and recipient governments often call for increased coordination among donors as a potential avenue for mitigating costs (Acharya, de Lima, and Moore 2004; Aldasoro, Nunnenkamp, and Thiele 2010; Biesma et al. 2009; Djankov, Montalvo, and Reynal-Querol 2009; Frot and Santiso 2009; Lawson 2010; Morss 1984; Öhler 2013; Pallas et al. 2015; Rahman and Sawada 2012). In fact, coordination is one of the three main elements of the aid effectiveness agenda set out in the Rome 2003 and Marrakech 2004 Declarations (Rogerson 2005). Easterly (2002) notes that calls for donor coordination are not new, and cites President Truman in 1949 and the Pearson Commission in 1969 as early emphasis on donor coordination. The last decade has only seen growth in the calls

for donor coordination, and the founding statutes for most donor agencies allude to their responsibility to coordinate with other aid agencies.

Despite these urgent and growing calls for coordination, what coordination means remains ambiguous (Lawson 2010; Sundewall 2009). The term donor coordination is used in various ways in the literature, and by practitioners (Sundewall 2009). This section attempts to unify a wide set of terms that are used to describe donor coordination. Coordination can broadly be defined as specific mechanisms, arrangements, and partnerships among donors with the aim of maximizing the effectiveness of foreign aid at the global, national, or sectoral level (World Health Organization (2009). This section outlines the various levels and types of donor coordination found in the literature.

### **1.3.1 Levels of Donor Coordination**

Donors can coordinate at various levels of society: globally, at the state level, or at a sub-state or project level. At the global level, donors often meet to assess and evaluate the state of coordination. These high-profile conferences involve agreements and discussions in support of donor coordination. However, agreements are rarely binding, nor do they offer specific strategies of coordination for such a wide and heterogeneous set of donors and recipient countries (Nunnenkamp, Öhler, and Thiele 2013; Öhler 2013; Rogerson 2005; Sundewall 2009). In fact, Nunnenkamp et al (2013)

finds that after the Paris Declaration of 2005 – the largest and most visible commitment to coordination by donors and recipients – aid fragmentation persisted, and coordination among donors was even weaker.

Donors often attempt to coordinate at the national level using Sector-Wide Approaches (SWAs), Joint Assistance Strategies, and nationwide commissions and working groups. This type of strategy generates concerns about sector specific silos. In global health, serious debates have been increasing about funding horizontal health sector approaches in lieu of vertical, disease specific funding (Brown, Yamey, and Wamala 2014). Uncoordinated, vertical spending has given way to “fragile, isolated islands of sufficiency” (Ooms et al. 2008). Further, national strategies are generally voluntary and non-binding, and consequently may be unreliable (Lawson 2010). Finally, donors can coordinate on specific initiatives, projects, and programs. This type of coordination rarely includes all donors, and thus is not a comprehensive solution to problems of proliferation and fragmentation.

Finally, coordination occurs at the subnational level. The previous section showed that duplication of aid efforts, administrative burden, and increased transaction costs are incurred within recipient countries. In fact, Öhler (2013) argues that regional and sectoral coordination of donors already in country “may be more important than across country measures of coordination.” The Accra Agenda in 2008 placed specific emphasis on within country donor coordination, calling upon donors to “streamline

their efforts in-country... and for donors and recipients to be jointly responsible for achieving these goals.”<sup>17</sup>

### **1.3.2 Types of Donor Coordination**

In addition to the multiple levels on which donor coordination can take place, coordination also takes on different forms. Before jumping into the typology, it is important to note that coordination essentially ranges from specialization, or “not getting in one another’s way,” to cooperation, or “doing things together.” Specialization is a simpler and more straightforward task. Alternatively, cooperation incurs the most organizing costs and is most difficult to achieve (Chandy and Kharas 2011). Table 4 in the Table Appendix outlines the different types of coordination.

Specifying the range from specialization to cooperation is incredibly important, and relatively lost in the conversation on proliferation and coordination. Current literature overwhelmingly focuses on measuring specialization, the least costly form of coordination (Frot and Santiso 2009). It is costly to attempt coordination in any form, but as this section will describe, there are other coordination options that have not been systematically measured.

A form of coordination that is closer to specialization is division of labor. This is the most commonly assessed method in the literature (Acharya, de Lima, and Moore

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<sup>17</sup>OECD-DAC (2016) Summary on the Third High Level Forum on Aid Effectiveness



2004; Lawson 2010; Öhler 2013). The division of labor strategy involves specialization by donors, as they concentrate on working in the different countries, regions, or sectors. Negotiations over division of labor and delegated authority can be very contentious due to interests and pre-existing arrangements.

A more integrated form of coordination is a unified strategy – when donors attempt to establish clear development goals, metrics, and vision for aid use and distribution. National aid planning councils, donor group meetings, and sector-wide approaches (SWAps) all fall into the category of unified strategy (Sundewall 2009). Similarly, data/information sharing allows donors to take the work of others into account when developing their assistance plans (Lawson 2010). These strategies have similar drawbacks. They often suffer from low or incomprehensive membership, and have few or no enforcement mechanisms. While they are both important steps in the quest for improved coordination, they can be “all talk, no action” solutions.

The most stringent or challenging forms which coordination involve donors coming together to finance or implement projects (i.e. cooperation or “doing things together”). One form of this is pooled funding, where donors gather their aid into a joint pool as budget support (Kanbur et al. 1999). When this strategy is taken, it is done in hopes of preventing duplication, and also to develop the recipient governments’ governance, financial management capacity, and accountability (Lawson 2010).

However, pooled funding often leads to fears of misused funding due to weak or corrupt recipient government institutions.

Consequently, donors often prefer to pool project-based aid, where they plan and implement specific projects, and maintain control of project finances and management outside the host country budget. However, project-specific coordination rarely involves all donors, and is quite narrow. This form of cooperation does not directly address the greater problems of state level duplication, administrative burden, and other costs (Lawson 2010; Sundewall 2009).

### **1.3.3 Within-Country Coordination**

Many of the challenges associated with aid proliferation are at the country level, and the literature needs to address the status of within country coordination.

Furthermore, all the costs discussed above affect recipient governments and donors at the sub-national level, or within recipient countries. Conversely, most literature focuses on measurement and discussion of coordination at the national level, or across countries.

The aid proliferation and fragmentation literatures often call for donors to coordinate simply by specializing – either in a country or a sector. Steinwand (2015) finds that lead donorship – or specialization on the part of donors – only occurs in 26 percent of cases from 1970-2006 at a decreasing rate. While lead donors help to coordinate other donors and reduce the transaction costs of fragmentation, these cases are quite rare. The

literature needs an understanding coordination for the other three quarters of cases, where donors are not specializing, but are active within recipient countries. There have been few attempts to address this important concern.

This dissertation takes on that question by exploring the drivers of donor coordination within recipient countries. This dissertation seeks to provide a clear picture why we observe more coordination in some places and situations, and less coordination in others. The central research questions driving this dissertation asks if the strategic donor-recipient relationships and aid agency autonomy explains variation in donor coordination. I argue that strategic political, economic, and security interests of donor governments play a crucial role in shaping coordination outcomes.

It is important to note that coordination is not a cure-all. Some of the costs that coordination failure causes are more problematic for recipients than they are for donors. Furthermore, coordination may have potentially negative consequences. For example, while on one hand, coordination allows projects to be executed at a larger scale, on the other hand coordination may stifle innovation and growth. Similarly, strong coordination by donors could also cause “group-think” situations, where donors attempt to solve problems the same way and fail to seek new – potentially more efficient – development strategies and solutions. Total coordination of donors in a recipient country could lead to these problematic issues.

In addition to the ambiguity about coordination stifling innovation, there are no clear links between coordination and positive development outcomes in the literature. While these are both interesting and important issues, understanding how the level and quality of coordination affects outcomes is outside the scope of this dissertation. Despite all of these concerns, most scholars and practitioners largely agree that there is too little coordination. Why do donors fail to coordinate despite wide agreement on the potential merits of coordination?

#### ***1.4 A Theory of Constrained Coordination***

There is sparse scholarly work that attempts to understand the conditions under which donors are more or less likely to coordinate within recipient countries (Bourguignon and Platteau 2015; Steinwand 2015). Previous literature in political science has established that strategic interests play a role in where donors allocate their aid. Scholars have hypothesized that strategic interests may have a dampening effect on donor coordination, but this has not been tested empirically (Bourguignon and Platteau 2015; Lawson 2010; Steinwand 2015; Woods 2005). Another portion of the political science literature suggests that the autonomy – or freedom – that aid agencies have from their home governments moderates their performance in key areas aid effectiveness like coordination (Honig 2018; Martinez 2015). In this dissertation, I fill a gap in the aid

coordination literature by investigating whether these factors explain donors' coordination practices.

### **1.4.1 Strategic Interests and Coordination**

Previous research in political science shows that donors have many reasons for where, when, how, and why they give aid, only some of which are directly related to development outcomes (Alesina and Dollar 2000; Bank, Dollar, and Pritchett 1999).

Donors' rationales for disbursing aid are well documented and varied. Strategic measures that are correlated with aid allocation vary from donors' colonial history with a recipient to maintaining large trade volumes with the recipient. Do these strategic interests of donor governments affect the willingness or ability of their aid agencies to coordinate? Indeed, some scholars have suggested that strategic interests might play a role, though they offer no empirical evidence for these links (Bourguignon and Platteau 2015; Lawson 2010; Steinwand 2015).

Given their strategic political, economic, and security interests, the main shortcoming of aid coordination for donor governments would be the loss of aid agility – when they commit to coordinate they lose the unimpeded ability to pursue state-centric objectives through aid programs (Bourguignon and Platteau 2015; Woods 2011). For example, “tying aid to contract work from the donor country generates economic benefit for the donor country and presumably a political benefit for its government”

(Steinwand 2015, 444). Donors will be hesitant to coordinate if they must give up such benefits (Bourguignon and Platteau 2015; Knack and Smets 2013; Lawson 2010).

Aside from political, economic, or development goals driving aid, Steinwand (2015) makes the case that image and reputation can also play some part in donors aid commitments. Donors hold large conferences that are designed to increase public visibility of aid policies. This may lead to a ‘shaming’ effect, causing donors to pledge more money and choose more recipients than they otherwise would, increasing the drive to proliferate. In addition to driving proliferation, the issue of visibility of aid may hinder coordination. When coordinating, donors are asked to share successes, taking away from potential visibility gains.

This literature shows that the strategic political and economic priorities of donor governments are strongly associated with the recipient countries to which donors send their bilateral aid. Building on these foundations, I argue that that donors’ strategic interests may have some bearing in helping us understand not just where donors send aid, but if and how they coordinate their aid.

#### **1.4.2 Aid Agency Autonomy and Coordination**

Previous literature has also shown that the structure of aid agencies that deliver the aid plays an important role in shaping aid patterns. Bilateral aid agencies are generally government bureaucracies – or a body of non-elected government workers

and officials, and that executives and legislators task them with a specialized area of work to execute on behalf of the government. Government use aid agencies to handle the disbursement of aid, including the operation and management of aid programs (Gibson et al. 2005). This can entail decisions on development of assistance programs, the sector funds to which are allocated, the channel of delivery, the type of projects, and the future of aid allocations.

Executives and legislators are often elected, political actors beholden to elections and national interests. As shown in the research on strategic interests described above, donor governments often have political, economic, and security goals to which they target their aid. Conversely, there is good evidence that those within aid agencies have a preference to target aid to development goals. Achieving development may be of personal interest to those within aid agencies. Research on the motivations of public employees shows that people self-select into careers based on their altruistic and prosocial beliefs, especially when compared to those in the private sector (Perry, Hondeghem, and Wise 2010). Similarly, aid agencies may self-populate with people who have a genuine concern for reaching development goals, and are motivated both by a genuine interest in development (Andresen and Gustschin 2013; Honig 2015).

Consequently, the desires of those within the aid agency may differ significantly from the strategic interests of the government. Governments attempt to constrain aid agencies in order to achieve their strategic goals. Political actors exert their influence to

control bureaucratic agencies for political benefit by using many tools like oversight (like public hearings, audits, and supervisory boards) and through changing the way the aid agency can function (by changing its budget, changing its purpose, installing new appointees, and more). These types of constraints make it more difficult for aid agencies to disregard the non-development goals of the government to work towards development goals.

This literature shows that when there are fewer constraints and threat of repercussions from government control mechanisms, the aid agencies can and will follow their own preferences and make choices about the best methods of aid delivery. With this freedom – or autonomy – aid agencies send aid to recipient countries with greater need and using more effective methods (Honig 2015; Martinez 2015). Building on this, I argue that aid agencies with fewer constraints (with more autonomy) will coordinate more.

### **1.4.3 The Argument: Constrained Coordination**

The body of literature that speaks to the role of strategic interests in foreign aid shows that strategic political and economic interests shape where donors allocate their aid. Additionally, evidence from the aid agency autonomy literature demonstrates that in the absence of interference, aid agencies would seek out recipients with more need and strategies that increase the efficiency of aid. I argue that that these theories may



have some bearing in helping us understand not just where donors send aid, but also if and how they coordinate their aid.

Essentially, I posit that the mechanisms that the aid allocation literature has established as leading to development-minded allocation will also result in more coordination. Aid allocation literature on strategic donor-recipient relationships has shown that fewer strategic interests on the part of donors is associated with more focus on development and better development outcomes. Similarly, I extend this line of thought to coordination. I posit that less strategic interests from the donor government in the recipient country will less pressure from strategic interests on the donor agency, and leave room for agencies to coordinate more. Consequently, low levels of strategic interests should be associated with high levels of donor coordination.

I make a similar argument based on conclusions in the agency autonomy literature. This work shows that higher levels of aid agency autonomy give agencies the freedom to act development-minded, and consequently, they target more of their aid toward recipients with development-need. Again, I extend this line of thought to coordination. I posit that more autonomy leaves aid agencies the freedom to act development-minded. Consequently, high levels of autonomy should be associated with high levels of donor coordination.

These two mechanisms are not independent of one another, and the interaction of the different variants of strategic interests and agency autonomy likely produce vast

variation in outcomes. A highly autonomous aid agency working should coordinate more often in a recipient country of low strategic value to its donor government, but less in a country of high strategic value to government.

#### **1.4.4 Alternative Hypotheses**

There are other potential explanations for donors' coordination patterns. First, donor agencies just coordinate where there is good governance. There might two reasons for this – first, recipient governments with good governance may be stable and strong enough to corral donors into coordination themselves. Second, good governance may be a good proxy for things generally working well in a recipient country – lights functioning, access to internet stable, and more. Perhaps donors would coordinate more if there were good governance everywhere. A second hypothesis is that coordination is path dependent – that is, countries and regions that have seen coordination in the past may simply just draw donors into the default coordination mechanisms that exist. Using the context of the empirical results presented throughout this dissertation, I consider each of these alternative explanations for donor coordination in my concluding thoughts.

#### **1.5 Plan of the Dissertation**

The quote that opened the chapter makes the case that it is “extraordinary” that those who work in foreign aid delivery have “made such a mess.” Donor agencies' lack

of coordination is often presented as failure of effort and attention to the consequences of their actions. In this dissertation I take the first steps to counter this widely held belief by looking at the priorities of donor governments and how those shape donor agencies' ability to coordinate.

I do this by introducing the idea that the same strategic interests that have been shown to impact donors' allocation of their foreign aid may also affect the coordination of their aid. This happens through two channels. First, coordination will be a function of the donor nations strategic political, economic, and security interests in the recipient country. Donor governments will be less amenable to coordination in countries that hold high strategic value. Second, coordination will be a function of a donor governments' strategic relationship with its own donor agency. There is some evidence that aid agencies prefer strategies that are the most efficient for development. Assuming that this includes coordination, we can expect that the more autonomy that an aid agency has from its government, the more likely that agency will be to engage in coordination with other donor agencies.

Finally, the combination of the two channels will matter. We would expect a highly autonomous aid agency working in a country of low strategic priority to a donor government to engage in coordination often. Conversely, we should expect an agency working in a high-priority recipient country that has little freedom from its donor government to engage in coordination activities rather infrequently.

Throughout the rest of this dissertation, I present my theoretical framework and empirical analyses. In Chapters 2 and 3, I discuss my theory and research design and methods. In Chapter 4, I provide a quantitative analysis of the effects of aid agency autonomy and the recipient country's strategic value on donor coordination. Based on preliminary fieldwork and to select cases appropriate for my theoretical approach, I explore qualitative case studies of donor coordination for health and HIV/AIDS in Nigeria (Chapter 5) and Zambia (Chapter 6). Nigeria provides a case of a poorly coordinated aid landscape, while Zambia's health sector is often highlighted as one of the best-coordinated aid landscapes. Most of this dissertation focuses on donor coordination among "traditional," largely Western donors, but in Chapter 7, I examine the coordination practices of "South-South donor" – another group of increasingly important donors.

Finally, Chapter 8 concludes the dissertation. I set out my major findings, consider alternative explanations, directions for future work, and policy recommendations. The findings of this study are three-fold. First strategic interests have a significant impact on whether donors coordinate within recipient countries. Second, I find that aid agencies with greater levels of autonomy from their home governments coordinate more. Third, I find that these effects amplify one another – a high autonomy donor working in a low priority country coordinates more than any other combination of strategic interests and autonomy.

## **2. Constrained Coordination: A Theory of Donor Coordination**

The theoretical approach presented in this chapter focuses on the way that bilateral aid agencies are constrained in their attempts to coordinate by the political interests of their home governments. Governments that provide foreign aid (hereafter donor governments) provide their aid to low- and middle-income countries using one or more aid delivery institutions (hereafter called aid agencies, donor agencies, or simply agencies). In this chapter, I argue that the difference between the goals of donor governments and the goals of aid agencies drive the donor coordination outcomes that we observe in the world.

There is a rich body of scholarship about the goals of donor governments. Scholars of development aid from various disciplines have shown that rich governments provide aid to reach a variety of strategic political, economic, and security goals – goals that may not be shared by other donors, consequently at odds with coordination. However, the central goal of aid agencies is to foster development. A growing literature about the nature of aid delivery bureaucracies shows that having fewer limitations on aid agency decision-making is correlated with higher levels of pro-development behaviors like coordination, and lower levels of strategic political and economic goal-seeking with a donor's aid.

I theorize that this difference in goals between donor governments and their aid agencies is the central matter in explaining coordination. Given their differing goals, donor governments attempt to curb the wayward, non-strategic impulses of their aid agencies. They do this by placing various institutional checks on what aid agency bureaucrats can do – checks like planting political appointees within the agency, limiting aid budgets, or creating red-tape within the decision-making process – making it harder for aid agencies to coordinate with others. Additionally, in recipient countries where donor governments have significant strategic priorities they may place institutional checks like additional legislative testimonies on projects in that country or a closely monitored aid reporting system.

In short, my theoretical argument, which I call Constrained Coordination, posits that the difference in goals between governments and their aid agencies – in addition to the relationship between these institutions – explains the poor coordination outcomes that scholars continually find. Furthermore, Constrained Coordination makes a unique theoretical contribution by explaining why some donors coordinate more, and why coordination is better in some recipient countries.

### **Plan of the Chapter**

In this chapter, I flesh out the Constrained Coordination argument, expanding on descriptions of key actors, the processes through which politics interacts with bureaucracy, and the pitfalls for coordination. The chapter proceeds as follows. Section 1

explores the relationship between domestic politics of donor governments and aid distribution choices. Section 2 describes the basic bureaucratic structures of bilateral foreign aid agencies, and how this inherently shapes the coordination decisions of aid. In section 3 I make the core argument of the dissertation – that the political priorities of donor governments interact with the bureaucratic structures of agencies to constrain donor agencies’ coordination practices. I also outline the empirical predictions that follow from my Constrained Coordination theory.

Section 4 outlines the empirical strategy and methodology that I use in the following chapters of the dissertation I describe the empirical context – bilateral assistance for HIV/AIDS (hereafter, HIV) - motivating why it is an excellent context for studying these dynamics, and surveying the relevant literature on foreign aid for HIV, the organizations, bureaucracies, and politics surrounding the delivery of this aid, and what the literature says about their coordination patterns. I also describe the mixed methods empirical strategy used to test my hypotheses. Section 5 concludes.

## ***2.1 Donor Governments: Strategic Interests and Priorities***

There is a large literature that shows the influence of domestic politics of rich, aid giving countries. Scholars across the last six decades argue that foreign aid is a foreign policy tool for donor countries. From Hans Morgenthau (1962), to Bueno De Mesquita and Smith (2009), to Greene and Licht in the June 2018 edition of *Political Research*

Quarterly, researchers continue to demonstrate that donor governments target strategic interests and priorities with their aid. These strategic aims include political, economic, historical, security, and other non-development oriented goals.

If donor governments' only motive were to promote development, they might prefer their aid agencies to coordinate to increase the effectiveness of their aid. Scholars question whether the intentions of donors play a role in the effectiveness of aid in achieving outcomes. Indeed, evidence suggests that the effectiveness of aid may vary with the allocation intentions of donors (see Alesina and Dollar 2000; Bermeo and Leblang 2015; Bueno De Mesquita and Smith 2009; and more). Political theories on donor allocation argue that donors are motivated to give aid in response to strategic motives. In consequence, we know that donor governments are not solely interested in development outcomes – instead, they strive to reach their strategic priorities. This likely has a dampening effect on coordination.

### **2.1.1 Substantive Motivations**

Donor government actors have clear motivations that drive their preference for strategic aid. As politicians, these elected legislators and executives' primary concern is reelection. The drive for reelection generally causes politicians to follow policies approved by their constituents, and this has been shown to be the case in legislative support for foreign aid (Milner and Tingley 2011; Tingley 2010). There is good evidence



that politicians' views on foreign aid are most influenced by domestic political considerations – that is, the effect of foreign aid on their constituents (Milner and Tingley 2010). The implication is that voters in rich countries are affected by foreign aid in ways that their representatives can ascertain, and that this stake drives strategic priorities of rich governments (Bueno De Mesquita and Smith 2009). How does foreign aid affect donor governments' domestic constituencies? There are various links between rich country voters and foreign aid.

### **Buying Recipient Political Cooperation**

Government actors may use aid strategically to garner agreements from recipients. Donor governments buy the cooperation of recipient countries, allowing politicians to report their political successes to their constituents. Bueno De Mesquita and Smith (2007) find that donor countries politicians' ability to extract "valuable policy concessions" from prospective recipients enhances their political survival, and this drives the amount of aid given and to whom it is given.

They also find that humanitarian need does not seem to motivate decisions of donors to provide more aid or give it at all. Similarly, donor governments give more aid to countries that vote with them in the UN, meaning that governments may be using aid to buy political support. Another interpretation is that donor governments disburse aid to countries that are "friendly" to their global policy preferences, as UN voting patterns

are highly correlated with alliances and overlapping economic and geopolitical interests (Alesina and Dollar 2000).

Donor governments' ability to buy cooperation and policy concessions from recipients is very useful for donors vis-à-vis their domestic audiences. However, donors' strategic interests can conflict with the effectiveness of aid in achieving development outcomes. For example, Bearce and Tirone (2010) show that when there are significant strategic benefits to providing aid, aid becomes ineffective because donor governments cannot credibly enforce their development-related conditions.

### **Economic Motivations**

In donor governments that are democracies, legislators are sensitive to what Milner and Tingley (2010) term the "distributional consequences" of aid. Voters may view economic aid as tax dollars not spent on domestic welfare, and this is particularly true for constituents with fewer resources. Politicians respond to this pressure by opposing aid or by using aid strategically in ways that are beneficial to their constituencies. An executive may oppose an aid agency's request to increase the aid budget. A legislator may support certain aid policies as a boon for business and commercial opportunities, opening the door for domestic companies to invest in low and middle income countries (Fleck and Kilby 2010; Milner and Tingley 2011). For example, Diven (2001) showed that domestic agricultural success and interest groups are

strong determinants of food aid, as this type of aid creates a market for farm goods. Donor governments also seek the ability to claim trading benefits of aid. Empirically, scholars show that trade relations strongly influence the level of aid given, and OECD donor nations give more to nations with whom they actively trade (Bueno De Mesquita and Smith 2009).

### **Security and Mitigating Spillovers**

Donor governments use aid strategically to manage to mitigate potential spillovers of issues in low and middle-income countries into their own countries. Increasing interconnectedness amongst states means that issues that contribute to underdevelopment, such as human rights violations, health concerns, and potential instability, affect developed and developing countries alike (S. B. Bermeo and Leblang 2015; Efrat 2012; Patrick 2006, 2007, Sandler 1998, 2004). War, poverty, terrorism, tsunamis, earthquakes, and famine drive migration from poor to rich countries. Gang violence and pipelines for drugs and weapons cross borders and drive regional instability. Communicable diseases and invasive plants and animals can wreak havoc on public health and ecosystems, with real human, environmental, and commercial consequences in donor countries.

Donors use aid to directly and indirectly prevent these types of issues from affecting their nations and constituents. In order to target the issues that would affect

them the most, donors send aid to countries that are populous and near to them – the countries to which spillovers are likely to be the most severe. Indeed, donors send more aid to countries that are large and proximate (S. B. Bermeo and Leblang 2015; Bueno De Mesquita and Smith 2007). Donors governments also give more aid to nearby nations that are poorly governed – another set of countries from which negative spillovers are particularly likely to affect a donor (S. B. Bermeo and Leblang 2015).

Donors also attack the issue of spillovers by sending aid to regional leaders. Regional powers are good targets for two key reasons. First, because these countries often serve as hubs – they can be hotspots for disease transfer and trading centers for illicit goods (Efrat 2012). Second, these countries may have leverage with their neighboring countries. They are often security enforcers, significant trade partners, and sometimes even donors for the countries around them (Nolte 2010). By focusing their resources here, donors can have maximum impact on their security, political, economic, and disease concerns throughout a region.

Some scholars argue that there has been a blurring of the lines between strategic and development outcomes, particularly since the end of the Cold War, and increasingly since the beginning of the War on Terror (S. B. Bermeo 2015; S. B. Bermeo and Leblang 2015; Fleck and Kilby 2010; Steinwand 2011a). Consequently, “while a relative weakening of development as a priority is always possible... it seems unlikely that it will be in the interest of donor states to return to the Cold War pattern of largely

ignoring development concerns in favor of pursuing other goals with foreign aid” (Bermeo 2015, 29).

Indeed, while Woods (2005) agrees that the Cold War and 9/11 were pivotal moments in donors’ grand strategy, he also argues that security concerns that result from underdevelopment play a large part in the cross-country allocation decisions within these large periods of time. Woods argues that these strategic interests have driven proliferation as governments and multilateral organizations have increased the mandates of current agencies and created new agencies and initiatives for administering aid. Consequently, Woods argues, strategic goals are often pursued at the cost of coordination.

### **2.1.2 Historical and Cultural Motivations**

Ideology plays a role in donor governments’ strategic motivations for aid. Government actors and their constituents use different frameworks to support notions about whether to give aid, how to deliver aid, or which countries are deserving of aid. These notions can stem from two types of ideological foundations – partisan ideology and more general ideological frameworks about aid.

Politicians and constituents in rich countries may also support aid to recipients for which there are strong historical and cultural ties. Historically, donor governments that provide the most aid are rich, Western democracies, many of which are former

colonial powers. Many of these countries value the ideal of democratic government or feel the connection of a former colonial relationship. These notions can drive a domestic desire to provide aid to new democracies or former colonies. Similarly, there may be cultural or religious ties (or divides) that motivate politicians and constituencies in rich donor countries to support (or oppose) aid to a particular country or cause. Alesina and Dollar (2000) and Dollar and Pritchett (1999) find that bilateral aid has favored former colonies more than open economies or democracies. They find that undemocratic former colonies receive twice as much aid as democratic non-colonies, and that the same pattern holds true for former colonies with closed economies when compared to open economy recipients with no colonial history.

In summary, government actors in donor nations have many reasons for where, when, how, and why they give aid, only some of which are directly related to development outcomes. Scholars have noted a wide variety of ways that donor governments' strategic interests and priorities are correlated with their aid allocation patterns. There is some evidence that it is in donors' interests to meet recipients' development needs. This line of work shows that in cases where there are significant spillovers of a recipient country's underdevelopment on a donor, then giving aid to reach more altruistic needs is, in fact, strategic (Bermeo 2018; Woods 2005). While the specific ideas of this literature are outside the scope of this dissertation, the larger themes fit nicely into the Constrained Coordination work. Issues such as distance, trade,

colonial history, and other traditional strategic interests largely capture spillovers from poor countries to rich countries. Furthermore, if there are significant spillovers from two countries – one that is “traditionally” strategic and “developmentally” strategic, and one that is solely “developmentally” strategic, the Constrained Coordination theory would predict the one that is strategic in both ways. If donor governments were motivated by recipients’ needs, we would expect to see aid to be sent to the least developed countries, aid focused on long-term growth, or aid that follows the recommended best practices like aid coordination.

While the rhetoric that donors use about aid is in line with these ideals, it is clear that governments’ strategic priorities are consistent drivers of aid allocation patterns. However, donor governments disburse aid using aid agencies – bureaucratic agencies with very different underlying motivations than political actors in governments. The next section outlines the role of aid agencies and their motivations.

## ***2.2 Aid Agencies: Bureaucratic Autonomy and Pro-Development Goals***

Broadly speaking, bilateral aid is provided by donor governments – sovereign governments of nation-states that allocate a portion of their national budgets to foreign assistance for low and middle-income countries. Each donor government disburses its aid through donor agencies - organizations and initiatives located somewhere within the

government apparatus that administer aid on behalf of donor governments (Easterly 2002; Martens et al. 2002; G. Martinez 2013).<sup>1</sup>

A key part of the Constrained Coordination argument rests on recognizing the complex chain of command that makes up each aid agency, and understanding that there is wide variation in their bureaucratic designs. In particular, there is significant variation in how much autonomy aid bureaucrats have in organizational decision-making. These differences in agency autonomy affect the extent to which a donor government's strategic priorities are executed. This variation exists because aid agencies have a preference for pro-development activities like coordination, so an aid agency with more autonomy will coordinate more.

### **2.2.1 Bureaucracy in Foreign Aid**

Bilateral foreign aid agencies largely exhibit the core characteristics of bureaucracies. Most of government functions through bureaucracy, defined as a body of non-elected government workers and officials that have a specialized function and purpose, fixed rules, and a hierarchy of authority (Downs 1967). Generally aid agencies

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<sup>1</sup> In reality, donors range in origin, and include bilateral agencies reporting to governments, aid administering branches of multilateral international organizations, and philanthropic arms of large philanthropic organizations (Alesina and Dollar 2000; Davies and Klasen 2011). However, bilateral, government-to-government giving still accounted for 45% of all aid in 2017 ([OECD, 2018](#)).



are large bureaucratic ministries, agencies, or departments within the highest levels of government (Faure, Long, and Prizzon 2015; Gulrajani 2015b).

### **Government Principals and Agency Agents**

The established method of modeling bureaucracies and bureaucratic autonomy by social scientists has been via principal-agent model in which a principal with a need contracts an agent to fulfill that need (Daniel Honig 2015; T. Johnson 2013; Milner 2006). When working on behalf of the principal, the agent may have incentive to use their freedom – or autonomy – and deviate from the expectations of the principal because the agent's actions cannot be perfectly monitored or enforced. Consequently, principal-agent models incorporate efforts by a principal to shift agent incentives towards measured and rewarded targets.

This relationship captures the dynamics of foreign aid well, and has been used by many scholars (Daniel Honig 2015; Milner 2006; Nielson and Tierney 2003). In the case of foreign aid, donor governments are the principals – executive and legislative branches of government – while aid agencies are the agent. As a principal, the government of a state sets the policy for foreign aid. The government then uses the bureaucracy to handle the disbursement of aid, including the operation and management of aid programs (Gibson et al. 2005). This can entail decisions on development of assistance programs, the sector to which funds are allocated, the channel of delivery, the type of projects, and

the future of aid allocations. This requires that bureaucrats “assess country needs, prepare strategic plans, design and evaluate programs, oversee budgets and contracts, and report on results” (USAID 2012b).

### **Delegation to Aid Agencies**

For a legislature or executive to take on all of the tasks they delegate to bureaucracy would be costly due to complexity, lack of knowledge, or the significant investment of time (Huber and Shipan 2000, 2002). Instead, governments delegate tasks to various bureaucracies in lieu of doing it all through a single agency because this model allows for many benefits including specialization, division of labor, management of policy externalities, dispute resolution, credibility, and lock-in policy bias (Hawkins et al. 2006; Kiewiet and McCubbins 1991).

However, there are costs to delegation, as principals cannot monitor everything that agents do. Consequently, strategic-minded governments take a risk when allowing their aid agencies any freedom. This is because of the two basic assumptions of the principal-agent model. The first assumption is that the government and bureaucracy have different preferences (Huber and Shipan 2002). As we explored above, there is significant evidence that donor governments have a preference for strategic aid. If an aid agency’s preferences are different than those the strategic minded government, autonomy makes it possible for the aid agency to pursue non-strategic goals (Huber and

Shipan 2011; Kiewiet and McCubbins 1991). The second assumption is that there is asymmetric information favoring agents (Huber and Shipan 2002). Aid agencies have more detailed information about how to achieve their mandate and their effort in achieving the mandate. To deal with this issue, donor governments use their influence to keep their aid agencies in line. The next two sections address of these assumptions in turn.

### **2.2.2 Aid Agencies and Pro-Development Motivations**

As in all principal-agent scenarios, government principals may grant aid bureaucracy agents more or less autonomy. When agents have more autonomy, they are freer to pursue their own interests. What are the interests of foreign aid bureaucracies? There is good evidence that aid agencies are pro-development and not strategic (Arel-Bundock, Atkinson, and Potter 2015; Gulrajani 2015b; G. Martinez 2013). Arel-Bundock et. al (2015) and Martinez (2013) use econometric evidence to analyze the importance of structural relationship between donor agencies and their governments. Using various measures of aid agency autonomy from the donor government, they find that increased autonomy of the aid agency is correlated with increased focus on recipient need.

Various hypotheses have been offered up for why aid agencies with more autonomy may act in a pro-development way. First, success of the aid agency may be of self-interest to those within the agency. They may be motivated by concerns about

agency survival and career and assignment matters (G. Martinez 2013). Cooley and Ron (2002) show development INGOs are concerned about organizational survival, driving them to argue strongly for support for development. Aid agencies face similar organizational and career incentives.

Second, achieving development may be of personal interest to those within aid agencies. Research on the motivations of public employees shows that people self-select into careers based on their altruistic and prosocial beliefs, especially when compared to those in the private sector (Perry, Hondeghem, and Wise 2010). Similarly, aid agencies may self-populate with people who have a genuine concern for low and middle-income recipient nations. These pro-development attitudes may drive a taste for adhering to best practices for reaching development goals including coordination.

While the literature on foreign workers in the public and not for profit sectors is sparse, some work has shown that international aid workers are motivated both by a genuine interest in development (Andresen and Gustschin 2013; Daniel Honig 2015). Gibson et al. (2005) note first that more than 70 per cent of aid workers felt engaged by and committed to their work, and second, that same amount of respondents were also willing to “stand up and push for SIDA's goals and vision, even outside of SIDA.” (142). Martinez (2013) argues that this can be interpreted to show that, “on the whole, aid bureaucracies tend to prefer an aid policy based on aid effectiveness and recipient

needs.” (14) The drive that these workers have for effectiveness, agency goals, and recipient needs may similarly drive a desire for coordination.

Those in aid agencies may also be driven by image concerns. These bureaucrats are likely more sensitive to the international reputation of the aid agency. Steinwand (2015) makes the case that image and reputation can also play some part in donors’ aid commitments. Donors hold large conferences that are designed to increase public visibility of aid policies. Steinwand states that this may lead to a ‘shaming’ effect, causing donors to pledge more money and choose more recipients than they otherwise would, increasing the drive to proliferate.

Finally, autonomy may produce better development targeting and outcomes because the complexity of aid delivery requires flexibility. Honig (2015) finds that allowing field-level agents agency to make choices about the best methods of aid delivery will often be the most effective way to deliver aid. In his model, better performance is associated with less top-down control. Achieving positive development results “requires soft information, tacit knowledge, and flexibility that are crowded out by tight controls or an organizational navigation strategy focused on short term measurement and targets” (Daniel Honig 2015, iii).

Consequently, the desires of those within the aid agency may differ significantly from the strategic interests of the government. Indeed, many in aid agencies feel that they are “caught between working collectively at country level and responding to

differing priorities and concerns of their headquarters. Inevitably, pressure remains on some development partners to retain direct accountability of their aid” (Dickinson and Attawell 2011). This tension is a consequence of the divergence between the goals of donor government and aid agencies. While the government of state sets the foreign aid policy, those in the aid bureaucracy make day-to-day decisions about how aid is disbursed (Gibson et al. 2005). Martinez (2013) concludes that “without the threat of repercussions that comes from government control mechanisms, the bureaucracy can and will follow their own preferences in aid allocations” (10).

In sum, aid agencies are pro-development, meaning their incentives may not align with those of their government, which likely have strategic motivations for providing aid. For example, while the government of the United Kingdom may see aid as a policy tool to achieve some strategic interests in a recipient country, the aid bureaucracy may see the aid solely as a tool of international development. Consequently, political actors use various tools of political control— personnel appointments, mandates, administrative procedures, budgets, monitoring, etc. – to curb the discretionary power of bureaucrats.

### **2.2.3 Political Control over Aid Agencies**

Political actors create bureaucracies like aid agencies to achieve wide mandates, and they find ways to exert influence over the agency to achieve their specific political aims (Wood and Waterman 1991). While a government creates its aid apparatus to

address the nation's development concerns worldwide, there may be a short-term desire to prioritize one region or country above others for political reasons. In order to achieve these narrower, often administration-specific goals, politicians exert their influence and control over bureaucratic agencies for political benefit using many tools, but most of these fall into two broad categories – design tools, and oversight tools (Bawn 1997).

### **Political Control Using Oversight Tools**

Political actors can use oversight of their aid agencies to monitor their actions and keep the agency's action in line with politicians' mandate and intentions. Bawn (1997) defines oversight as the strategies that political actors use to directly monitor agency behavior to gain the information they need to punish or correct undesirable behavior. Oversight is an ex-post form of control, meaning that legislators and executives are retroactively monitoring aid agency actions.

Political actors have many direct oversight tools available to them, like oversight hearings, budget accounting, government veto of allocation decisions, regular and unscheduled audits, supervisory boards, and more. However, politicians also use various indirect oversight tools, or monitoring actions that do not directly involve the aid agency. Indirect oversight might include actions like the solicitation of information directly from program recipients, lobbyists, or interests groups (Bawn 1997; Wood and Waterman 1991).

Legislative and executive principals can use one or all of these oversight tools to monitor the work of aid agencies. Given the strategic motivations of donor governments, political oversight is not meant to incentivize pro-development behavior by aid agencies. Consequently, the more oversight there is of an aid agency, the less development-oriented it is assumed to be (Martinez 2015).

### Budget

Political actors allocate funds to the aid bureaucracy to achieve its mandates. However, aid agencies do not have unfettered access to resources for their operations. Executives and legislators almost always vet and approve aid budgets. Within the vetting process there are often negotiations between limiting aid, spending on a development-oriented budget, or shifting aid to more strategically beneficial projects. Donor governments in some countries design the budget process so that political actors have the power to veto aid initiatives or so that those delivering aid must go through many layers of approval to make a funding decision.

However, budget control is also an oversight tool. Many governments do budget oversight – mandating that an agency report its spending activities, or penalizing problems one year because of issues in previous years. The next section describes the other oversight tools that governments use to control aid agencies.

### **Political Control Using Design Tools**



Political actors also exert their influence over aid agencies using design tools.

While political actors are responsible for the allocation of funds to foreign aid (at least in democracies), aid agencies are responsible for using these funds to achieve the goals of the parliament or congress. Consequently, they are subject to statutory design controls and oversight. Legislators and executives exert control over bureaucracies by building their preferences into the design of the agency – or into subsequent redesigns. These political actors can act directly on the bureaucracy by curtailing discretion and restricting their mandates through civil service reform, or they can cut agency budgets or mandated earmarks (McCubbins 1985; Wood and Waterman 1991).<sup>2</sup> Generally, statutory design decisions are used as an ex-ante form of influence – or upon redesign of an agency (Bawn 1997; Huber and Shipan 2000). Important design decisions include institutional location, political appointments, and by giving an aid agency an explicit national interest mandate.

### **Institutional Location**

While there is wide variation in the specific institutional designs and specific mandates of bilateral aid agencies around the world, there are four basic bureaucratic models of donor agencies that vary based on where development cooperation apparatus is located within government (Faure, Long, and Prizzon 2015; Gulrajani 2015b):

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<sup>2</sup> Another key design tool that elected politicians can use to control a bureaucracy is the use of political appointees, which I will discuss more below.

- (1) The ministry of foreign affairs takes the lead and is responsible for policy and implementation.
- (2) A development cooperation directorate within the ministry of foreign affairs leads and is responsible for policy and implementation.
- (3) Another ministry has overall responsibility for policy, and a separate executing agency is responsible for implementation.
- (4) A ministry or agency, other than the ministry of foreign affairs, is responsible for both policy and implementation (only in the UK).

The different ways of structuring bilateral aid agencies have important implications for how political actors sway the actions of an aid agency. In models 1 and 2 aid is a direct tool of foreign affairs, and is highly vulnerable to strategic influence. Conversely, aid agencies that are outside the purview of the ministry foreign affairs (models 3 and 4) are likely to have more insulation from strategic influences on their policy foci or day-to-day implementation.

### **National Interest Mandate**

Donor governments create their foreign aid bureaucracies to deliver aid, and many of these aid agencies have a development focus. However, one way that governments restrict the development targeting of aid agencies is by creating them with an explicit mandate to serve the “national interest” in their work. When an aid agency lists national interests as one of its goals, the agency is signaling that the government is strongly involved in shaping its aid policies (G. M. Martinez 2015).

### **Aid Professionals: Appointees versus Careerists**

Another bureaucratic design characteristic of bureaucracies is their staff makeup. Bilateral aid agencies are – perhaps – more diffuse and impersonal than the average bureaucracy, given the particularly disperse structures with field offices, projects, and agents all over the world (Gibson et al. 2005). Politicians often create bureaucracies with strong top-down controls. By giving a great deal of formal power to those at the top (who are often politically appointed) political actors build themselves direct lines to oversee the work of the aid agency (Moe 1989).

Bureaucracies are populated with two types of bureaucrats: political appointees and careerists. Political appointees are bureaucrats that are given high-level positions in a bureaucracy by elected legislators or executives. Appointing bureaucrats is the way that politicians are able to promote their political agendas within the foreign aid bureaucracy (Arel-Bundock, Atkinson, and Potter 2015; Pfiffner 1987; Wood and Waterman 1991). Consequently, appointed bureaucrats tend to be sensitive to the political aims of the executive and legislative branches, and have shorter-term interests in the organization.

Career bureaucrats, on the other hand, are unelected civil servants hired for their issue expertise. In a foreign aid bureaucracy, these development professionals make up a majority of the employees. They are hired to the organization based on merit – how they will perform in their role, which is assessed by their technical expertise, performance in relevant roles, and issue knowledge and experience (Downs 1967).

Additionally, career bureaucrats tend to be full-time workers who depend on the organization for their income. There is evidence that aid bureaucrats are overwhelmingly full-time workers that are committed to their work and that they have a strong moral attachment to achieving development outcomes - to “doing the right thing and doing it right” (Abbott, Brown, and Wilson 2007; Gibson et al. 2005; Wilson 2006).

Bureaucrats are concerned with moving up within the agency, and because they are reviewed and promoted based on their performance, they are also concerned with doing their part to achieve the agency mission. Aid professionals are increasingly knowledgeable and professionalized, with specific, niche knowledge – in particular tacit knowledge of field conditions, the kinds of projects that will work in a particular context, and the best recipient country agencies and civil society groups to work with (Daniel Honig 2016). Career aid professionals are rewarded for their ability expertise in using their specialized knowledge to reach agency goals.

In sum, donor governments use aid agencies to deliver aid, and they create these agencies to be responsive to their political aims. There is limited evidence supporting a strong link between any one model of organization, oversight, and more effective aid. However, there is growing evidence that more independent aid agencies are less responsive to presidential priorities and more responsive to indicators of need in the recipient country (Arel-Bundock, Atkinson, and Potter 2015; G. Martinez 2013). Simply put, the more autonomous an aid agency is from its government, the more development

focused (and the less politically focused) the aid agency is. Consequently, in my Constrained Coordination theory I argue that aid agency autonomy likely has important implications for donor coordination. I explore autonomy in the next section.

## **2.3 Constrained Coordination and Theoretical Predictions**

There is only sparse scholarly work that attempts to understand the conditions under which donors coordinate. While some authors have noted the potential dampening role of strategic interests on coordination, there is no current research that examines how the autonomy of aid agencies may influence coordination. In my theoretical framework I propose that the findings of the aid allocation literature – namely the divergent preferences of strategic-oriented donor governments and development-oriented preferences of aid agencies – have important implications for coordination outcomes.

### **2.3.1 Constrained Coordination: A Theory of Donor Coordination**

In this dissertation I address a puzzle that has plagued international development: donors say that they want to coordinate – and even commit significant time and resources to coordination. However, empirical research has found that foreign aid donors do not coordinate consistently or at high levels. What explains this mismatch? To address this puzzle, I ask, “What factors drive donor coordination patterns?”

More specifically, I address two targeted research questions. First, what drives different coordination outcomes across donors? Second, what explains the variation in coordination across recipient countries? To answer these questions, I present Constrained Coordination – a theoretical framework that gains its explanatory power from the divergent interests of donor governments and aid agencies. I posit that donor coordination within a recipient country is a function of donor governments’ strategic interests and aid agencies’ autonomy.

### **Donor Governments and Coordination**

Donor governments have strategic interests, and given these strategic priorities, the main shortcoming of aid coordination would be the loss of aid agility. When aid is committed to coordinated programs, donor governments lose the unimpeded ability to pursue strategic, state-centric objectives through aid programs (Bourguignon and Platteau 2015). For example, “tying aid to contract work from the donor country generates economic benefit for the donor country and presumably a political benefit for its government” (Steinwand 2015). Similarly, the “Buy America<sup>3</sup>” initiative, ensures that aid funds are generally used to buy goods from the United States or developing countries when possible (Lawson 2010). Donor governments are hesitant to give up such benefits, because as political actors, they are able to report these direct domestic benefits

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<sup>3</sup> P.L. 87-195, Sec. 604

to their constituents (Bourguignon and Platteau 2015; Knack and Smets 2013; Lawson 2010). Just as the aid allocation literature shows that less strategic interests lead an increased focus on development, I argue that less strategic interests implies more coordination, as seen in Table 2.1. Consequently, I posit that donor governments' strategic interests have a dampening effect on coordination.

### **Aid Agencies and Coordination**

Conversely, as a pro-development activity, coordination should be favored by aid agencies. Coordination would allow them to achieve their development goals more effectively. Aid agencies have something to gain from coordination in the form of larger scope for aid programs, better reach and resources for solving pressing development problems, or by joining with other agencies increased leverage on the recipient government. Furthermore, while many scholars have acknowledged the organizational challenge that donor coordination presents, like any iterated game, theories of organizational learning would expect that agencies would figure out how to work together over the course of decades (Daniel Honig 2015). Given the natural tendency of aid agencies to engage in pro-development activity and that aid agencies are more pro-development in the absence of political control, I posit that agencies with more autonomy are more likely to engage in coordination, as shown in Table 2.1.

**Table 2.1: Explaining Coordination**

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Recipient Priority
Aid Allocation (Literature)
Low Priority Recipient → more focus on development → better outcomes
Coordination (Extension)
Low Priority Recipient → less pressure from strategic interests → more coordination

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Aid Agency Autonomy
Aid Allocation (Literature)
Increasing autonomy → freedom to act development-minded → targeted toward development
Coordination (Extension)
More autonomy → freedom to act development-minded → more coordination

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### **2.3.2 Empirical Predictions**

My Constrained Coordination theory has two sets of implications. First, my theory explains why we might expect to see different levels of donor coordination across recipient countries. Second, I explain differences in coordination habits across donors. In my theoretical approach, I draw on conclusions from the aid allocation literature, and apply these insights about the motivations of and interactions between donor governments and aid agencies to the question of donor coordination.

Scholars of donor motivations show that strategic interests shape where donors allocate their aid, while scholars of aid bureaucracies demonstrate that when given the leeway to make significant decisions about aid, aid bureaucrats have significantly higher pro-development tastes than their governments prefer. Together, this evidence leads us



to believe that in the absence of interference, aid agencies would seek out recipients with more need and strategies that increase the efficiency of aid, such as coordination.

Building on these foundations, I argue my theory explains variation aid coordination.

### **Donor Level Hypotheses**

Why do some donors coordinate more than others? To answer this question, I draw on conclusions from the aid agency autonomy literature. This work shows that high levels of autonomy give agencies the freedom to act in development-minded ways, and consequently, to target more of their aid toward recipients with development-need.

I extend this line of thought to coordination. I posit that more autonomy leaves aid agencies the freedom to act development-minded. Consequently, high levels of autonomy should be positively associated with high levels of donor coordination.

H<sub>1A(B)</sub>: A highly autonomous (constrained) aid agency will be positively (negatively) associated with coordination.

My Constrained Coordination theory also illuminates the relationship between effort an individual donor will put toward coordination and the strategic interests that their donor government has in the recipient country. Because donor governments care more about what happens in high priority recipient countries, they may place more political controls on aid activity in that country. Because of this additional oversight, an aid agency working in a high priority recipient country has less freedom to coordinate.

Consequently, the level of an aid agency's coordination effort is inversely related with the priority status of recipient countries.

H<sub>2</sub>: Every aid agency will coordinate more in low priority recipient countries than in high priority recipient countries.

These two mechanisms are not independent of one another, and the interaction of the different levels of strategic interests and agency autonomy will produce vast variation in outcomes. A highly autonomous aid agency working in a recipient country that is low priority to the donor government should have the most freedom to coordinate than an agency with a comparable level of autonomy working in a highly strategic country. I outline this prediction in Figure 2.3.

H<sub>3A(B)</sub>: A highly autonomous (constrained) aid agency working in a low (high) priority recipient country will be the most positively (negatively) associated with coordination.

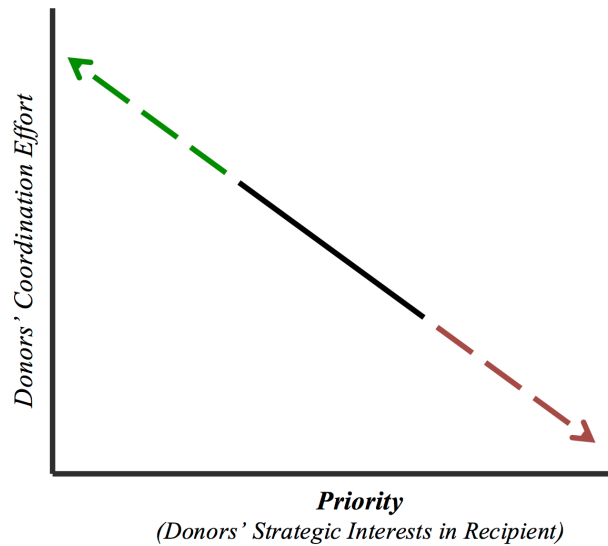
		<b>Recipient Priority</b>	
		<i>Low Priority (Highly Strategic)</i>	<i>High Priority (Not Strategic)</i>
<b>Agency Autonomy</b>	<i>Low Autonomy</i>	Moderate	<b>Low Coordination Effort</b>
	<i>High Autonomy</i>	<b>High Coordination Effort</b>	Moderate

**Figure 2.3: Donor Level Predictions**

### **Recipient-level Hypotheses**

Why are donors better coordinated in some recipient countries than others? I posit that the mechanisms that the literature on donor government motivations has established as leading to development-minded allocation will also result in more coordination. Aid allocation literature on strategic donor-recipient relationships has shown that recipients of lower strategic priority are associated with higher focus on development and better development outcomes. I extend this line of thought to coordination, as is modeled hypothetically in Figure 2.4. I posit that less strategic interests from the donor government in the recipient country leads to less pressure from strategic interests on donor agencies working locally, allowing aid agencies the freedom to pursue coordination.

H<sub>4A(B)</sub>: A low (high) priority recipient country will be positively (negatively) associated with coordination.



**Figure 2.4: Country Level Predictions**

In order to examine the implications of this theory, the remainder of this dissertation explores donor coordination in a real-world context. I use empirical evidence to test these hypotheses. The next section describes the empirical strategy used to test the predictions of my Constrained Coordination theory using a broad, bird's eye view quantitative approach and a nuanced, nitty-gritty qualitative case study approach.

## **2.4 Conclusion**

This chapter presented the theoretical argument of this dissertation. In it, I argued that the difference between the goals of donor governments and the goals of aid agencies drive the donor coordination outcomes that we observe in the world. Aid

agencies are, almost by definition, pro-development entities. I make the case when left to pursue their goals, aid agencies development-oriented tendencies mean that they coordinate. However, aid agencies are not simply free to do as they please – their choices are constrained by their home governments. Donor governments are providing aid to reach strategic, non-development goals in recipient countries. To ensure that they have complete control over their aid dollars, donor governments often place checks on their aid agencies to ensure that their political and economic goals are met. This disconnect between the strategic goals of governments and the altruistic desires of aid agencies shapes donor coordination. In the next chapter I describe the research design and methodology I use to test the Constrained Coordination theory.

### **3. Research Design and Methods**

This dissertation project employs a mixed-methods research design utilizing a variety of original and secondary data as evidence for the central argument - that strategic priorities and aid agency autonomy shape donor coordination. Chapter 4 presents the quantitative portion of the empirical work, and I examine the effects of key donor government and aid agency characteristics on donor coordination in recipient countries across the world. The qualitative chapters – Chapters 5, 6, and 7 – are a series of carefully selected case studies that provide intimate portraits of donor coordination in varied recipient country settings, and across different types of donors.

My research design uses qualitative and quantitative methods. There are many benefits to utilizing a mixed-methods approach, as each method “can provide additional leverage that helps address shortcomings of the other” (Collier, Brady, and Seawright 2010, 506). I examine the factors that determine donor coordination using a multi-methods approach to improve my inferences about the complex processes that make up coordination. Case studies and other qualitative data assist us in ascertaining the cause of an event, and can serve as “anchors” to help us understand the nuance behind a quantitative model (Gordon and Smith 2004). This is especially true for the study of complex causal mechanisms, such as causal pathways of donor coordination at the recipient country level. The following sections provide a broad overview of the

quantitative and qualitative research designs, data, and methods to be used in the remaining chapters.

### **3.1 Quantitative Research Design**

In Chapter 4 I present the large-N, quantitative portion of the dissertation. The chapter takes advantage of original datasets, in which I combined publicly available data from the Organization for Economic Cooperation and Development (OECD), directly from aid agency websites and documents, and various other sources. The key variables of interest are featured in Chapter 4, and in Appendices A and B.

#### **3.1.1 Data**

First, I extend the data on strategic interests of donor governments first used by Alesina and Dollar (2000). This aspect of the data captures the strategic donor government-recipient relationship that I hypothesize moderates coordination levels. I use level foreign direct investment and trade volumes as measures of economic interests, and colonial status since 1900 to represent political interests. Controls for rule of law, democracy, and civil liberties, GDP per capita, and population are also included. The full list of strategic interests variables is found in Chapter 4.

Second, to capture the autonomy that aid agencies have from their donor government, I built an original dataset. This data is being modified from the datasets and suggestions of Martinez (2013) and Verhoest (2004) about how to capture autonomy

of a government bureaucracy. Variables of interest are broken into three categories: interventional autonomy, structural autonomy, and policy autonomy, categories that are defined in Chapter 4.

The outcome variables are meant to capture donor coordination. This is a particularly challenging concept to quantify, as it is an amalgam of several disparate activities. My outcome data comes from three variables from the OECD Development Assistance Committee: (1) core contributions to multilateral institutions; (2) contributions to specific-purpose programs and funds managed by international organizations; and (3) basket/pooled funds. What is nice about these outcomes is that they capture the contributions of donors to coordinated funding schemes in which they lose the ability (partially or wholly) to impose their unilateral strategic interests on how their aid is spent.

Unfortunately, these outcomes miss out on many aspects of donors' financial coordination. Ideally, I would include consistent and comparable data on co-financing or funds gathered for Sector Wide Approaches. But comprehensive datasets on aid like the OECD's development database and AidData do not have clear measures of these. Even though these outcomes do not tell the whole story, they present a unique opportunity to explore part of donors' coordination strategy. According to the OECD, these variables capture giving categories under which "the donor relinquishes the exclusive control of its funds by sharing the responsibility with other stakeholders..." I



have coordination outcome data from the years 2000-2015, and will use share of total aid budget given in a coordinated fashion as my main outcome variable.

Strategic interests are captured at the donor-recipient-year (dyad-year) level, autonomy is captured at the agency-year level, providing for an annual observation of each agency's level of autonomy, and outcome data is at the agency-year level, with access to the specific agency that is giving the aid. This is a unique wealth of data, allowing me the flexibility to tell a granular story about how my explanatory variables affect coordination. For example, I have the ability to say something like: "In 2008 (year) Cameroon (recipient) was a low priority country (strategic interests) to the United Kingdom (donor government). DFID (aid agency) was highly autonomous (agency autonomy), from the UK government and consequently coordinated 40% of aid (share of coordinated aid).

The sample of donors consists of the bilateral donor agencies from seven of the ten largest donor governments as determined by OECD project counts. This group is comprised of, in alphabetical order, Australia, Canada, France, Germany, Sweden, United Kingdom, and United States. For the purposes of this dataset, aid agencies selected from these countries were the ones with the most project counts in the OECD dataset. The sample of recipients is 146 sovereign nations and territories represented in the OECD database.

### **3.1.2 Analysis**

I performed an ordinary least squares (OLS) regression analysis to test hypotheses 1 through 4 – a subset of my donor-level hypotheses and recipient-level hypotheses. Interacting the two pathways of strategic interests allowed me to determine the separate, unique influence of each pathway in addition to their combined effect. Together, these analyses enabled me to replicate past arguments using alternative data and techniques, and provide evidence for my argument about how strategic interests are associated with each donor coordination outcomes.

### **3.2 Qualitative Research Design**

While the quantitative portion of the research design allowed me to capture cross-national variation in donor coordination, it lacked the specificity to capture the complicated nuance that is often associated with coordination. Furthermore, the quantitative outcome variables available captured only some of the financial aspects of donor coordination. Yet we know that coordination consists of myriad activities. I supplemented the quantitative work with qualitative case studies in order to capture more of the nuanced practice of coordination.

Varied case studies allowed me to dig deeper into the effects of my variables of interest. I employed what Seawright and Gerring (2008) term a “Most Different” strategy. Most different cases (two or more) specified variables other than one explanatory variable and the outcome variable. Seawright and Gerring (2008) state that

most different cases that are broadly representative of the population provide the strongest basis for generalization, as they are one of the few types of case studies that have confirmatory power. Most different cases can provide evidence, weak evidence albeit, of the existence of a causal relationship. In selecting Nigeria and Zambia's health and HIV/AIDS sector, I selected two country cases that vary in their level of recipient priority and agency autonomy. Consequently, I anticipated that there would be divergent results in line with the predictions of my Constrained Coordination theory.

My qualitative research design includes interviews of key stakeholders from civil society, donor organizations, and recipient government actors. The bulk of the qualitative design focuses on understanding the phenomena of donor coordination of aid for HIV/AIDS in two recipient countries - Nigeria and Zambia. The qualitative evidence design also allows me to explore the relationship that non-traditional, emerging donors have with coordination.

### **3.2.1 Issue Area Context: HIV/AIDS**

Evidence of donor coordination failure exists across every issue area in international development. This is true even in global health, where coordination happens more frequently than other sectors (Sundewall 2009). Global public health is a key issue in the international development effort. Spending on health alone grew tenfold from the mid-seventies to 2015 (Brown, Yamey, and Wamala 2014; Grépin 2012a; Leon

2015). In recent years the levels of complexity, financial support, number of actors, and the mandates of each actor have grown exponentially in global health.

Since the early 1980s, HIV/AIDS has become a global health problem with a reach and magnitude that has not been seen for any other communicable disease. As poor countries struggle to deal with the massive burden of disease, the international community gave significant attention to the issue. Over the last 40 years, HIV/AIDS has attracted the largest and highest profile agencies. The US bilateral initiative PEPFAR, the multilateral agencies and organizations UNAIDS, the Global Fund, and the World Bank, and the private entity The Gates Foundation, all committed unprecedented amounts of aid to the developing world for this problem. Consequently, HIV/AIDS has also experienced a giant increase in funding over the last 30 years. In 1987, donors gave about US\$59 million to fight HIV/AIDS. By 2014 that number had risen to US\$8.3 billion (Merson 2006; Merson et al. 2008).

As a consequence of the ever-increasing number of donors and huge flows of aid, scholars have found evidence of proliferation and fragmentation among HIV/AIDS donors and recipients. Swidler (2006, 271) captures these phenomena well:

An internal report advising the government of Uganda on decentralization begins with a list of 32 'Abbreviations and Acronyms' for various political units, officials and programs of the Ugandan government, but also includes CARE, CUAMM (Italian Cooperation), DANIDA, SNV-Netherlands, United Nations Capital Fund and USAID. Thus, Uganda cannot even discuss its own governance structures without frequent reference to the international organizations with which it interpenetrates.

This description of Uganda is not unique (Biesma et al. 2009). Many countries with heavy HIV/AIDS burdens deal with this level of donor activity (Spicer et al. 2010). In response to the intensity of donor proliferation and fragmentation, there have been many calls for HIV/AIDS donors to coordinate.

There are many who believe the current state of the HIV/AIDS epidemic demands that donors' must transition to a more cooperative method of action to address contemporary challenges (Biesma et al. 2009; Grépin 2012b; Samb et al. 2009). Funding for HIV/AIDS is at a turning point. Governance around the disease is moving from an emergency response to long-term treatment and prevention mindset, and donor governments are providing less aid for the disease. This likely requires more coordination. Consequently, aid for the HIV/AIDS epidemic is both an appropriate, fascinating, and choice issue area for the study of donor coordination.

This study focuses on coordination practices of bilateral aid agencies. However, the global health sector includes many other actors like multilateral institutions, private foundations, and global and local civil society. In my case studies, I maintain the focus on bilaterals, but the richness and depth of the case study method allows for me to capture the dynamics of other actors as well, such as multilateral donors, private donors, civil society organizations, and recipient governments.

There are three cases in total. Chapters 5 and 6 are country case studies. In these chapters, I catalogue the success and failure of different coordination efforts in Nigeria and Zambia. Chapter 7 is a donor-specific case study in which I focus on Southern donors – non-traditional, non-Western donors. Southern donors, or “emerging” donor, a category of donors that is very different than the OECD donors that dominate the literature on donor coordination. They are increasingly important donors in low and middle-income countries. However, scholars have neglected to address Southern donors’ coordination habits. I fill this gap by exploring Southern donors’ coordination using qualitative evidence from interviews. Next, I present my case selection strategy.

### **3.2.2 Country Case Selection**

I developed case studies of donor coordination in Zambia and Nigeria because they are similar or dissimilar on multiple, theoretically important dimensions, as shown in Table 2.2 below. First, I wanted countries that vary in strategic priority to most donors – Nigeria serving as a priority due to its status as a regional and sub-regional leader, and Zambia’s status a low priority country to most aid-granting governments. I was not concerned about selecting case countries that have donors with differences in agency autonomy. This is because almost every HIV/AIDS donor works in most recipient countries – i.e., the donor profile is essentially the same for most recipients.

**Table 2.2: Similarities and Differences between Case Countries**

	Nigeria	Zambia
<b>Strategic Characteristics</b>		
Colonial History (Independence)	United Kingdom (1960)	United Kingdom (1964)
Regional Leadership	Yes	No
Economy: GDP per Capita (PPP) <sup>1</sup> (2023)	6 T (6.3 Thousand)	4.12 T (4.86 Thousand)
Natural Resource (Global Rank, 2012)	Oil (13 <sup>th</sup> )	Copper (7 <sup>th</sup> )
Security	Terrorism, Regional Spread	No significant issues
Population (2016) <sup>2</sup> (2050)	186 M (411 Million, 5 <sup>th</sup> )	16.6 M (41 Million, 54 <sup>th</sup> )
Priority Level	High	Low
<b>HIV/AIDS Response</b>		
HIV Prevalence Rate (Global Rank)	3.2% (20 <sup>th</sup> )	13% (7 <sup>th</sup> )
Number of People Living With HIV (Rank)	3.2 M (2 <sup>nd</sup> )	1.1 M (9 <sup>th</sup> )
% Donor Funded HIV/AIDS Response	71% (2014)	93% (2012)
Total PEPFAR Spending (2004-2017) <sup>3</sup>	\$5 B	\$3.5 B
Predicted Coordination Outcome	Poor Coordination	Strong Coordination

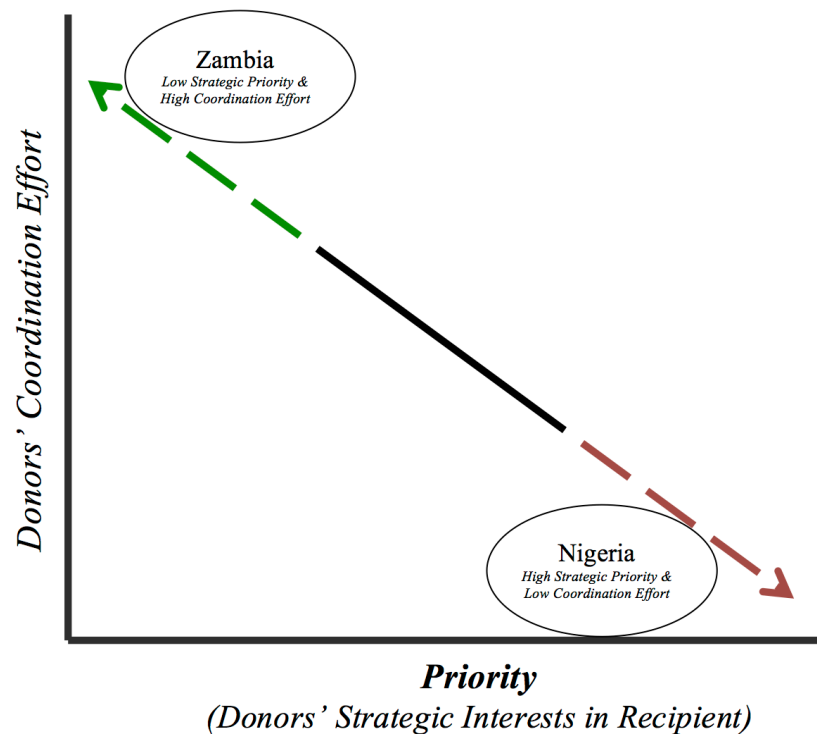
Additionally, the case countries are similar on important factors that make them comparable. Both countries have significant disease burdens. Zambia has the 7th highest HIV/AIDS prevalence (13%), while Nigeria has the 20th highest prevalence rate

<sup>1</sup> Forecasts from [Pardee Center for International Futures](#)

<sup>2</sup> UNFPA [World Population Prospects](#)

<sup>3</sup> 2018 PEPFAR Fact Sheets for [Zambia](#) and [Nigeria](#).

(3.17%). Despite the low prevalence rate, Nigeria’s large population means that Nigeria has the 2nd largest number of people living with HIV/AIDS in the world (after South Africa), and more people dying of the disease than any other nation. Foreign aid donors have poured billions of dollars into both countries over the last 30 years, and both Nigeria and Zambia are heavily dependent on foreign aid in their HIV responses. Finally, both Zambia and Nigeria have comparable cultural and colonial profiles – both are ethnically diverse former British colonies, and consequentially maintain English as their official language – a critical characteristic to ease the interview process.



**Figure 2.5: Country Level Predictions**



Given the characteristics of my cases, I can make clear theoretical predictions about donor coordination, as shown in Figure 2.5. Since Nigeria is a high priority country, Constrained Coordination would predict that donors are be poorly coordinated. Conversely, as Zambia is a low priority recipient, my theory predicts that there should be strong coordination among donors in Zambia.

### **3.2.3 Southern Donor Case Selection**

I focus on “traditional,” western donors that are members of the OECD Development Assistance Committee (DAC) for the bulk of this dissertation, but there is another category of donors with rising importance. “Emerging donors” like China, India, and Brazil have become increasingly important players in foreign assistance (Manning 2006; Mawdsley 2012; Walz and Ramachandran 2011). These donor governments are not part of the DAC, and their goals and strategies appear to differ significantly from those of “traditional Western” donors. In Chapter 6, I explore the coordination practices of these non-DAC donors. How do these donors view coordination? How has their presence in the donor landscape affected coordination efforts? How do priorities of emerging donors differ from those of traditional donors?

Most scholarship on foreign aid and donor coordination focuses on “traditional, Western, and government” donors – including Canada, the United States, the United Kingdom and Europe, and Japan. However, increasing involvement by non-DAC donor

countries like China, the United Arab Emirates, Turkey, South Korea, South Africa, and more is changing the landscape of coordination. These donors are incredibly diverse in their preferences and in the priorities that their aid contributions try to accomplish, and the effect that these donors, their strategic priorities, and their bureaucratic structures have on coordination have not been explored yet. Emerging donors are driving a “silent revolution,” often giving aid with less conditions, different strategic motivations, and emphasizing their role as partners in lieu of the typical “donor-recipient” language (Walz and Ramachandran 2011; Woods 2008).<sup>4</sup>

		Recipient Priority	
		Low Priority (Highly Strategic)	High Priority (Not Strategic)
Agency Autonomy	Low Autonomy	Moderate	<b>Southern Aid</b> (Low Coordination Effort)
	High Autonomy	High Coordination Effort	Moderate

**Figure 2.6: South-South Coordination Predictions**

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<sup>4</sup> Though (Woods 2008) takes some issue with worries about China, arguing that there is little evidence supports rampant anxieties about drastic changes.

Chapter 6 uses qualitative evidence to examine the how my Constrained Coordination theory applies to this unique group of donors. I do this through a qualitative case about “South-South” or “Southern” donors – a crucially important subgroup of non-DAC donors. I selected South-South donors for the donor case because they are the most influential and visible emerging donors with the largest aid flows. In particular, China and India have a growing presence in foreign aid for global health, especially in sub-Saharan Africa (Florini et al. 2012; Huang 2013; Tang et al. 2017). Throughout the data collection phase for my case studies of Zambia and Nigeria, respondents often mentioned these Southern donors as donors that did not act like the others.

My theory would predict that South-South donors’ explicitly strategic, quid-pro-quo method of providing aid is far from complementary with coordination. Furthermore, given the limited aid budget that many Southern donors have, it is not likely that any recipient is of low priority. Additionally, aid-delivering agencies from these Southern donors like China tend towards the low autonomy end of the spectrum. Given these characteristics, I expect very little coordination from Southern donors, particularly when working in a high priority country, as seen in Figure 2.6.

### 3.2.4 Data and Analysis

The qualitative data used consist primarily of in-depth interviews and secondary documents.<sup>5</sup> I conducted 107 interviews with key actors in the delivery of aid for HIV/AIDS, the health sector, and foreign assistance networks. I outlined the breakdown of interviews in Table 2.3 below. The interviews were conducted via telephone and Skype from the United States, or in person in Lusaka, Zambia or Johannesburg, South Africa between Summer 2016 and Winter 2017.<sup>6</sup> In Zambia and Nigeria, I sampled using a snowball method of introductions and cold calls around Lusaka. In South Africa, I sampled using a snowball method of introductions at the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) Country Operational Planning (COP) conference from 17-23 April 2017.<sup>7</sup>

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<sup>5</sup>See Appendix B for a copy semi-structured interview guide from the IRB protocol (Protocol ID: D0684).

<sup>6</sup> I restricted my respondent pool to “traditional,” non-OECD DAC donors. This is important, as “emerging” donors, particularly China and India, are playing increasingly large and important role as donors in Zambia’s health sector.

<sup>7</sup>I obtained certification to conducted interviews from Duke’s Institutional Review Board (IRB), which required that I refrain from revealing the names or titles of interviewees in-text. While I can identify some interviewees’ positions and agencies for the purposes of transparency, some titles are held back for positions that are singular and identifiable. I cannot reveal any information in the context of respondent opinions.

**Table 2.3: Interview Respondents**

	Nigeria	Zambia	Other	Total
Bilateral	9	9	-	18
Multilateral	8	6	-	14
Recipient Government	9	5	2	16
NGOs	16	14	27	57
Private Organizations	1	1	-	2
Total	43	35	29	107

Primary documents consist of donor and recipient government agency plans and reports, international and local policy papers that were provided to me by Zambian government officials and donor officials in Lusaka or Johannesburg, these were augmented with information I collected from donor and government websites and archives. Secondary documents include peer-reviewed journal articles, scholarly books, and international media sources. These secondary sources provided appropriate case information and context, and help to support arguments and conjectures drawn from interviews.

I kept primary and secondary documents, interview notes, and interview transcripts in the qualitative data analysis software NVivo. Using respondents' narrative as a guide, I pieced together the case narrative about the coordination efforts and outcomes using all the different types of qualitative data. I used NVivo to code important themes surrounding my interests for this paper including, but not limited to:

key actors in coordination, goals of coordination, strategic interests of donor governments, issues in autonomy of aid agencies, the role of the recipient government in coordination, types of coordination, intensity of coordination, and potential hindrances to or enablers of coordination.

## **4. A Bird's Eye View of Coordination Cross-national Donor and Recipient Comparisons**

This chapter examines the key arguments of the Constrained Coordination theory: that aid agencies with more autonomy will coordinate more and that countries that are low priority for many donors will experience higher levels of coordination. In order to do this, I use original datasets that catalogue the autonomy of agencies from seven of the top ten donor countries, and the relationships between donor and recipient governments that make up strategic prioritization. While the nature of the data makes does not to capture the mechanisms by which agency autonomy and strategic interests affect coordination, I attempt to address those questions in subsequent chapters. Instead, in this chapter the data allows us to have a birds' eye view of the way that agency autonomy and donors' interests have shaped coordination over time and across many different donor agencies and recipient countries.

There are differences in donor agency autonomy and donor-recipient strategic relationships both across donors and over time. While some variables do not change frequently year over year, there is certainly variation. In this data we see many types of changes to aid agencies' autonomy – governments upgrade the status of an agency to a standalone federal ministry or department, and downgrade their agency from an independent agency into one that is subordinate department or agency; agencies vary over time in their explicit mandate to achieve national interests versus development

interests. The amount of requested funds that an agency is appropriated annually also varies due to budget issues, shifting political allegiances to development, and more.

There is also variation in which countries are the most strategic over time, and this variation is driven by different elements of donor-recipient relationships. Trade volumes between some donors and recipients change dramatically throughout the period included in the data. Countries start and end wars – and donors are involved in different periods of these wars. Nations shift which recipients are important to them as both donors and recipients have new leaders emerge, discover natural resources, and foreign policy preferences of electorates change. This data in this chapter attempts to operationalize the variation in strategic interests and aid agency autonomy to understand their effects on donor coordination.

### **Hypotheses**

This chapter exploits this variation to test the 3 basic hypotheses of the Constrained Coordination framework. First, the body of literature that speaks to the role of strategic interests in foreign aid shows that strategic interests shape how donors give aid, and that in the absence of interference, aid agencies would seek out recipients with more need and strategies that increase the efficiency of aid, such as coordination.

Building on these findings, I posit that less strategic interests from the donor



government in the recipient country results in less pressure from donor governments towards their aid agencies, and creating leeway that allows agencies to coordinate more.

H1: Non-strategic donor-recipient relationships should be positively associated with coordination

Second, I make a similar argument drawn from conclusions in the agency autonomy literature. This work shows that higher levels of aid agency autonomy give agencies the freedom to act development-minded, and consequently, they target more of their aid toward recipients with development-need. Again, I extend this line of thought to coordination. I posit that more autonomy leaves aid agencies the freedom to act development-minded. Consequently, high levels of autonomy should be positively associated with high levels of donor coordination.

H2: Highly autonomous aid agencies should be positively associated with coordination

Third, I argue that these two mechanisms are not independent of one another, and the interaction of the different variants of strategic interests and agency autonomy likely produce vast variation in outcomes. A highly autonomous aid agency working in a recipient country of low strategic interest to the donor government should have more freedom to coordinate than an agency with a comparable level of autonomy working in a highly strategic country.

H3: The interaction of a highly autonomous aid agency and a non-strategic donor-recipient relationship should be most positively associated with coordination

The various combinations of strategic interests and autonomy are highlighted in the figure below. The four combinations of high/low strategic and high/low autonomy are:

		Donor-Recipient Relationship	
		High Strategic	Low Strategic
Agency Autonomy	Low Autonomy	Coordination Rare	Moderate
	High Autonomy	Moderate	Coordination Frequent

**Figure 4.7: Interaction of Strategic Pathways**

I find evidence to support the Constrained Coordination theory. Donor agencies with more autonomy coordinate more often. Furthermore, donors coordinate more in recipient countries that are of low strategic value to an aid agency's home country. I dig into these findings in a variety of ways throughout the chapter. The chapter proceeds as follows. In Section 1, I describe the sample and variables within my unique datasets, which were built using a variety of sources. I follow this with the descriptive statistics and results for each hypothesis test in Sections 2 through 4. In Section 5, I discuss the results. Section 6 concludes.

## **4.1 Data**

This chapter uses a large-N, quantitative approach to provide evidence for my Constrained Coordination theory. Data is from a variety of publicly available sources, and makes up three datasets in two formats. The first format attempts to quantify the effects of strategic interests and autonomy on donors' coordination patterns donor-level outcomes. One dataset explores these effects at the donor-recipient-year level to provide insight in to how autonomy and strategic interests shape donors' coordination behavior. The other data contains observations at the recipient-year level, allowing for tests of recipient characteristics that shape coordination. The second format is at the recipient-year level, and only explores the effects strategic interests on the amount of coordination that occurs within recipient country. The rest of this section describes the sample of donor and recipient countries, variables, and their sources.

### **4.1.1 Sample**

The time period across all the data sets in this chapter is 2006-2016. One dataset includes donor-recipient-year level observations of strategic interests and autonomy. In this data, coordination outcomes are listed in terms of how much donors coordinate. The second dataset has recipient-year level data on strategic interests and autonomy, and outcomes are calculated in terms of the share of all aid given to a recipient that is coordinated. Unfortunately, the data on autonomy is for a limited sample of seven-donor sample for which the aid agency autonomy is available, thus limiting the sample.

Consequently, I created a third unique dataset – one that only looks at how the strategic value of a recipient affects coordination within that country. Since it is not limited to the seven donors with autonomy data, this data captures the strategic relationship between a larger sample of donors and recipients.

### **Donor-Level Sample**

The aid agencies in the donor-level dataset include the primary agency from seven of the top ten donor countries during the period covered by the data – Australia, Canada, France, Germany, Sweden, the United Kingdom, and the United States. I used a random number generator to assign these countries numbers, and again to randomly select these donor countries from the list of the top ten aid agencies in this time period.<sup>1</sup> The main aid agency for each country changes over time for some countries – for example, Canada and Australia changed their primary aid agency twice in this time period. There are 145 recipient countries included in the donor-level cross-section of the data, which are listed in Appendix E.

### **Recipient Level Sample**

The second dataset focuses on how the average level of autonomy among the donors working within recipient country and the “strategic-ness” of the recipient

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<sup>1</sup>Japan, the Netherlands, and Norway were the three donors from the top 10 that are not included in the sample.

country shape donor coordination. The donors used to calculate the average autonomy level are the same seven agencies from above, but in this data, they are collapsed down to the recipient country-year level. The third dataset solely explores the effects of being a strategic recipient country on the amount of coordination within that country. Appendix E lists the 46 donor countries over which the data is collapsed, in addition to the 136 recipient countries are included in both recipient-level datasets.

#### **4.1.2 Dependent Variables: Donor Coordination**

For the dependent variables, I use data from the OECD Creditor Reporting System (CRS) to create the share of aid that donors spend in a coordinated way. These measures combine three different aid types including budget support, core contributions that are managed by international organizations, and basket and pooled funds. These are the types of aid that capture coordination, as described by the OECD. Each of these aid types requires the donor to give up complete, unilateral control of their aid. The OECD describes general and sector budget support as situations where “the donor relinquishes the exclusive control of its funds by sharing the responsibility with the recipient.” Similarly, core contributions, basket funds, and pooled funds include situations where “the donor relinquishes the exclusive control of its funds by sharing the responsibility with other donors and stakeholders.

In order to construct the outcome measures, I take the CRS project-level information about each project that every donor country and organization performed in every recipient country or territory. Outcome data is transformed in two ways to get the resulting measures of coordination at the donor agency level and recipient country level. I discuss both in turn below.

### **Donor Level Coordination**

I collapsed project data into annual donor-recipient level (also called dyad-level) to calculate the share of aid that a donor coordinates in a given recipient country,. This is calculated by adding up the total amount of coordinated aid, and dividing it by the total amount of aid spent by a given donor in a recipient country in a given year. The result is a continuous variable that is bounded from 0 to 1.

### **Recipient Level Coordination**

Similarly, the recipient country level coordination outcome refers to the share of aid that is coordinated in a given recipient country in a particular year. This is calculated by adding up the total amount of coordinated aid by all donors in a given year, and dividing it by the total amount of aid received by the recipient county that year. Again, the result is a continuous variable that is bounded from 0 to 1.

### **4.1.3 Strategic Interests**

Data on strategic interests of donor governments is based on the format first used by Alesina and Dollar (2000), and reproduced in several studies. This aspect of the data captures the strategic donor government-recipient relationship that I hypothesize moderates coordination levels. I use trade volumes and oil production as measures of economic interests; colonial status, UN voting patterns, and distance to represent political interests; and war is used to capture security interests. Controls for rule of law, democracy, and civil liberties, GDP per capita, and population are also included.

#### **Trade**

Trade is used to capture a dyadic economic importance. The greater the level of trade a donor does with a recipient, the less likely they should be to coordinate in that country. Data on trade is from the Correlates of War (COW) Project Trade Data Set, Version 4.0 (Barbieri and Keshk 2017). Specifically, I make use of their dyadic smoothed total trade variable, which is obtained by first summing the imports (in millions of US dollars) from each country, and then applying smoothing. Smoothing is necessary to deal with the dramatic changes in trade values which create problems for scholars using this trade data set for pooled cross-sectional time series analysis, like this research. For this reason, the authors conform to standard COW practices and adjust the trade data to remove spikes and dips.

## **Oil Production**

Oil is a precious commodity, and countries that produce high volumes of oil are higher priority recipients. Oil production data comes from the OECD Energy data (OECD 2018). The variable reports crude oil production in thousands of tons of oil.

## **Colonial History**

Many scholars have shown the strategic importance of colonial relationships. To that end, I use data from the Centre d'Études Prospectives et d'Informations Internationales (CEPII) (Mayer and Zignago 2011). Their data on colonial history reports whether countries have ever had a colonial tie, and is captured as a 1 or 0 indicator variable.

## **UN Voting Patterns**

Following the convention of Alesina and Dollar (2000), I use data on UN Voting Patterns to capture a general form of ideological alignment. While those authors recognize that many UN votes may not be very important in and of themselves, the persistent significance of UN Votes on aid leads them to conclude that, "UN Votes are a reliable indication of political alliances between countries and that these political alliances in part determine aid flows." How is this relevant to coordination outcomes? Simply put, if a country votes closely with a donor, they are either more strategically aligned or donors are engaging in "vote-buying." In either case, countries with high



shares of votes in the same direction as a donor should be higher priority countries, and the Constrained Coordination theory would expect less coordination within these recipient countries. To that end, UN Voting data comes from United Nations General Assembly Voting Data compiled by Erik Voeten and others (Voeten and Merdzanovic 2009). Specifically, I use their voting similarity index – a continuous variable that is bounded from 0 to 1, with 1 indicating agreement on every vote, and 0 indicating total disagreement.

### **Distance**

Various scholars have noted the importance of distance between donors and recipients in determining aid patterns (S. B. Bermeo 2015; Bueno De Mesquita and Smith 2009). The closer a recipient is to the donor country, the more that issues in the recipient country may lead to spillover issues in the donor country. Consequently, recipients that are closer in distance are more strategic to donors than those that are far away. I use distance data from the CEPII (Mayer and Zignago 2011). The specific measure used is the distance in kilometers between a given donor and recipient's capital cities.

### **War**

Like the concerns about distance, war can cause significant spillovers from recipient countries to donor countries, particularly if the donor is involved in the war as well. To that end, recipient countries that are engaged in a war are more strategically

important, and should experience less coordination. Data on war is taken from the Correlates of War Interstate War dataset (Sarkees and Schafer 2000). The variable in question is a 0 or 1 indicator of whether the recipient is engaged in a donor-involved war.

### **Composite Variable: Strategic Interests**

Each of these variables captures one aspect of what it means to be strategic. However, there is benefit to capturing a general sense of countries that are strategic on many fronts, versus not strategically important on any of these fronts, and all the variation in between those extremes. I used these individual strategic categories to generate a composite strategic variable to operationalize the overall “strategic-ness” of a recipient country.

The composite strategic variable is calculated by ranking each donor’s recipients from most strategic to least strategic in each category by year. The most strategic country takes the value of 1, and the least strategic country takes the value of 0. Every other country gets scaled within that range, taking on a value of somewhere between 0 and 1 using the equation:

$$(1)^2 \quad \% \text{ Rank} = ((\text{Country Value} - \text{Donor-Year Min.}) \div \text{Donor-Year Max} - \text{Donor-Year Min}))$$

For example, in the area of trade, in the year 2010 China was the United Kingdom's most strategic trading partner, and receives a value of 1 for trade in 2010. On the other hand, Central African Republic was the UK's least strategic trading partner in 2010, and receives a value of 0. Pakistan is in the middle of the pack for the UK in 2010 – once Pakistan's trade is scaled over China's trade, it is ranked as the 2.21<sup>st</sup> percentile, or .0221. After finding each recipient's percentile rank in each strategic variable, I simply take the average percentile rank across all strategic variables. The result is a 0 to 1 composite index that captures the general "strategic-ness" of each recipient to that donor in a given year.

For the recipient-level analyses I use the dyad-year composite strategic ranking to create another ranking of how strategic that recipient country is to each donor in a given year – again, the least strategic country takes the value of 0, and the most strategic country takes the value of 1. I then calculate the average strategic level of that recipient

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<sup>2</sup>The exception is distance, where a large number is actually less strategic. In this case, I simply calculate the percentile rank by subtracting the equation from 1, or  $\% \text{ Rank} = 1 - ((\text{Country Value} - \text{Donor-Year Min.}) \div \text{Donor-Year Max} - \text{Donor-Year Min}))$ .

with regards to all its donors to determine the general level of “strategic-ness” of that each recipient garners each year.<sup>3</sup>

#### 4.1.4 Autonomy

Aid agency autonomy measures how independent aid agencies are to implement their policies without interference from political factions of government. In order to capture this, I gathered data from government documents, websites, reports, laws, statutes, rulebooks, etc. I gathered information from of the primary aid agencies from Australia, Canada, France, Germany, Sweden, the United Kingdom, and the United States, for the years 2006 through 2017. The final dataset includes 22 separate theoretically motivated measures shown in Table 4.4.

**Table 4.4: Components of Autonomy Composite Variable**

Interventional Autonomy	Structural Autonomy	Policy Autonomy
Audits	Appointments	Recipients
Budget Appropriated/Request	Board	Organizations
For Cause	Board Appointments	Goals
Legislature	Fixed Terms	Expertise
Press Releases	Executive	National Interest
Reports	Location	National Interest 1 <sup>st</sup>
Veto Power	Positions	Research
		Purpose

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<sup>3</sup> I also calculate weighted composite variables, using the share of aid that each donor provides as the weight. However I do not use this variable in any of the analyses that follow.

These 22 measures capture different aspects of what it means for an aid agency to be independent from its government. Each of these data points is a 0 or 1 indicator variable, with 1 as the pro-autonomy value (unless otherwise noted). They are split into three general categories of autonomy, as defined by Verhoest et al. (2004, 109). First, interventional autonomy is freedom from government control by “influencing agency’s decisions by the means of reporting requirements, evaluation and audition provisions against externally set goals and norms by (the threat of) sanctions or direct interventions.” Consequently, the areas of interventional autonomy included in the dataset are: if there are government-mandated audits, reports, and testimonies, the budget appropriation-to-request ratio (1/0, continuous), whether agency leadership can be terminated without cause, whether the government (executive or legislature) can veto decisions by the agency, and whether the agency produces press releases.

Second, the data contain a category called structural autonomy. Verhoest et al. (2004, 109) define structural autonomy as government control over agency decision-making “through hierarchical and accountability lines towards the agency head or through the supervisory board.” In order to capture structural autonomy, I include seven measures: whether there is a supervisory board, whether the government makes appointments to that supervisory board, whether the government appoints people within the agency, whether appointments extend past the agency head (0-2,

categorical)<sup>4</sup>, whether agency leadership and board members have fixed terms, and finally, the location of the agency in the government (0-5, categorical).<sup>5</sup>

The third category of autonomy measures is policy autonomy. This captures government control of agencies “by specifying ex-ante rules, standards, and norms” about processes, policy instruments, and objectives and effects that an agency is to have (Verhoest et al. 2004, 109). For policy autonomy, I include: whether the agency describes how it determines its goals, organizations and recipients, whether there are expertise requirements for political appointments, whether national interest is listed as a goal or primary goal (in lieu of development), whether there is dedicated staff for research and information gathering for the purpose of developing future policy, and whether the central purpose of the agency is development.

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<sup>4</sup> (2) head of the agency is the only political appointment. (1) only top officials within the agency are politically appointed, the rest of the employees are civil service. (0) political appointments extend below ministers and state secretaries to departments heads and more.

<sup>5</sup> (1) agency is a program within a subordinate agency. (2) agency is a subordinate agency within a cabinet/ministerial government institution. (3) agency is a cabinet/ministerial government institution. (4) agency is a separate government agency with administrative autonomy from a cabinet/ministerial government institution. (5) agency is a quasi-government organization.



Overall autonomy score over time for the sample of donors. Vertical lines indicate a change in primary aid agency. Darker colors indicate a higher autonomy score. Each color indicates that for that year, a donor garnered a score in a 0.10 range bracket: .0 40-0.49, 0.50-0.59, 0.60- 0.69, 0.70-0.79, and 0.80-0.89. Donor agencies are listed in alphabetical order from top to bottom: Australia, Canada, France, Germany, Sweden, United Kingdom, and United States.

**Figure 4.8: Autonomy in Donor Sample, 2006–2017**

I use this information to create 4 composite variables. First, I create an overall composite autonomy variable – an average across all 22 indicators. Donors’ autonomy scores are static in a given year, but vary over time, which can be seen in Figure 4.8.

Some vary within a small range and do not cross a bracket – for example, the U.S. scores 0.426 to 0.486 – while some countries’ scores vary significantly over time, like Australia’s range from 0.454 to 0.819.

There are also 3 composite variables that average the indicators within each sub-category of autonomy, interventional autonomy, structural autonomy, and policy autonomy. This will allow me to test the overall effect of autonomy on donor coordination, but also to see if anyone area of autonomy is more important in shaping the outcomes.

#### 4.1.5 Controls

There is no theoretical guidance to help select the appropriate control variables. Literature on aid volumes generally uses a battery of controls that may not be theoretically appropriate in this study. For example, most studies include controls like life expectancy or infant mortality to indicate need, for GDP or GDP per capita to capture wealth, democracy to control for western donors' potential preferences for fostering or rewarding democratic behavior with aid, and governance to capture the capability of recipient governments to manage aid well.

Literature on donor coordination does not offer clear guidance for controls either. Donor coordination has been studied in many ways, but never with this type of outcome variable, nor with measures for strategic interests and donor agency autonomy. Even so, these authors do not use any controls that would be relevant to this work, if they use them at all. For example, the dependent variable used by Hannes Öhler (2013) in "Do Aid Donors Coordinate Within Recipient Countries?" is whether a donor begins a project in the same province as another donor, and there are no controls in his regression models. Nunnenkamp, Sotirova, and Thiele (2015) use a similar approach in their study of aid coordination, using donors' concentration of similar projects in the same provinces and regions as their measure. Their controls are population in a province (which may indicate strategic importance of a province). It is not immediately clear that



this is a control that should be included in this analysis, as the composite strategic variables already capture which countries are priority countries to donors.

Out of all these controls used in the aid and coordination, governance is the only control that should have any significant effect on donor coordination. Strong recipient governments that are highly capable of managing donors may have the ability to corral donors to coordinate more. Consequently, donors with better governance should be positively associated with coordination. The governance variable is the only control included in the preferred specification.

### **Governance**

Data on governance is drawn from the World Bank's World Governance Indicators (Kaufmann, Kraay, and Mastruzzi 2011). The index compiles six different aspects of governance: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. The variable ranges from -2.5 to 2.5, with higher values indicating better governance.

### **Democracy**

I also include the measures of the other standard controls to test the limits of the analysis. Democracy data comes from Freedom House (Freedom House 2018). I use the average of each recipient's score for civil liberties and political rights. I invert the

Freedom House scoring system, and the resulting variable takes of values of 0 to 7, with higher scores indicating more democratic countries. This control is not a part of the preferred specifications.

### **Life Expectancy & Infant Mortality**

Data on life expectancy and infant mortality are taken from The World Bank's World Development Indicators (The World Bank 2018). Life expectancy at birth is measured in years, while the infant mortality rate is reported per 1,000 live births. These controls are not included in the preferred specifications.

### **GDP Per Capita**

Data on GDP per capita is drawn from the World Development Indicators, and is reported in constant 2010 US dollars (The World Bank 2018). These variables are not included in the preferred specification. When income is included, I use the natural log of GDP per capita.

### **Population**

Finally, I include population in the analysis in two ways. First, I insert the natural log of population into the regression as a control. Second, I use an additional composite variable that includes population as one of the strategic elements. Data on population is taken from the OECD and United Nations World Population Prospects 2017 (UN

Population Division 2018). However, population is not a part of the preferred specification.

## **4.2 Dyad-Level Analysis**

There are three groups of results that come out of this data: donor-level results on strategic interests and autonomy; recipient level results on strategic interest and autonomy; and recipient level results on just strategic interests. The donor-level analyses address the effects on donor behavior. That is, these analyses show the effects for donors as their autonomy increases or decreases, and as the strategic relationship with an individual donor changes.

### **4.2.1 Descriptive Statistics**

The basic descriptive statistics for donor-level coordination, presented in Table 4.5 below, provide an interesting window into donor coordination. For convenience, only variables in the preferred specification are shown here. The rest of the descriptive statistics can be found in Appendix F.

**Table 4.5: Descriptive Statistics, Donor-Level Data**

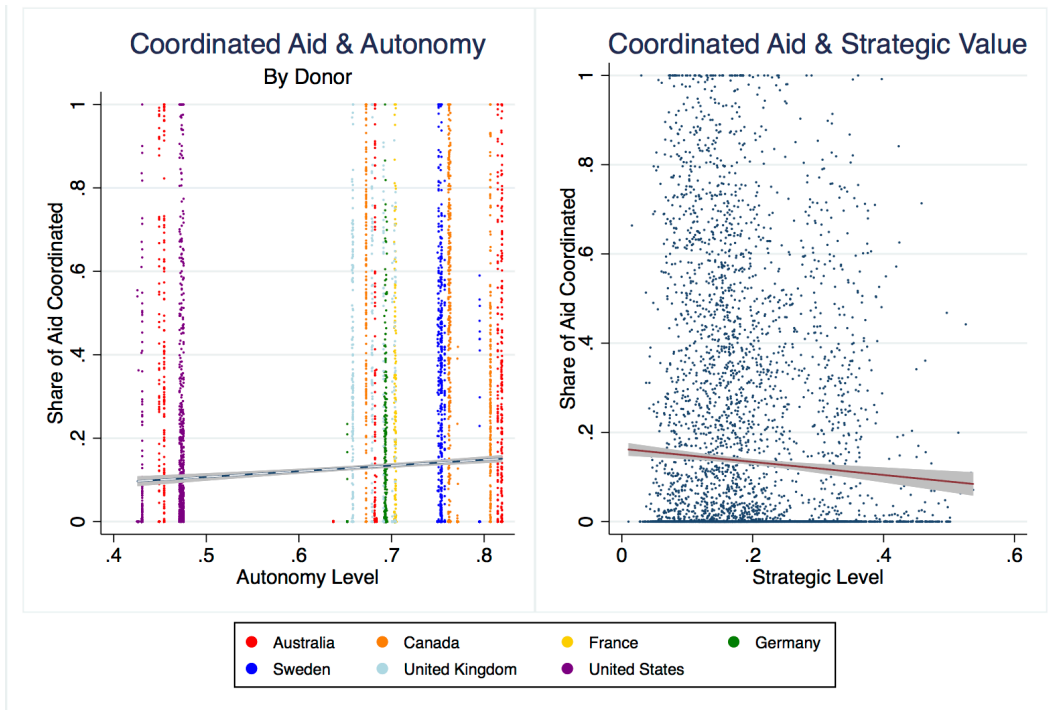
Variable	N	Mean	SD	Min	Max
Share of Aid Coordinated	8171	0.13	0.25	0.00	1.00
Autonomy	8171	0.67	0.12	0.43	0.82
Composite Strategic 1*	6409	0.18	0.09	0.01	0.54
Composite Strategic 2*	6311	0.16	0.08	0.01	0.59
Governance	7754	-0.54	0.62	-2.56	1.24

Composite Strategic 1 includes Trade, UN, Oil, Colony, Distance, and War involving the donor. Composite Strategic 2 includes the same measures, but adds population.

A simple glance at the descriptive statistics indicates that donors do not coordinate their aid often, as the mean share of eight coordinated is only 0.13, though the values range donors coordinating anywhere from none to all their aid in a given recipient year. It is also interesting to look at the autonomy of donor agencies. Similarly, while donors have autonomy values ranging from 0.43 to 0.82, the mean value of the autonomy variable is 0.67, which indicates that donors err towards the lower end of the autonomy spectrum. Finally, both strategic variables max out below 0.6. But more interestingly, the average strategic level of recipients hovers below .20, indicating that recipients are more recipients with scores in lower half of strategic-ness.

Visually, these descriptive statistics offer a preliminary confirmation of the Constrained Coordination theory. As shown in Figure 4.9 below, the higher a donor agencies autonomy level, the more coordinated their aid appears to become. Conversely,

as recipient countries become more strategic to donors, the amount of coordination appears to go down.



The graph on the left side is a scatter plot of donor agency autonomy and coordination. Each point represents the given donor autonomy level, in conjunction with that donor's coordinated aid in a recipient country in a given year. The graph on the right side shows the scatter plot of strategic value and coordination. Each point represents a particular instance of dyadic strategic value, plotted in conjunction with the share of aid coordinated by that donor in that recipient country in that year. Both lines are simple fitted lines based on the correlation between that level of autonomy or strategic interests, and that level of coordinated aid.

\* Note that the x-axis on the two graphs is different. This is done to account for the different ranges that the autonomy and strategic indices have, and to facilitate clearer viewing.

**Figure 4.9: Visual Descriptive Statistics**

While these figures are a nice way to visualize the relationship between donor coordination and autonomy and strategic interests, it is still important to test the significance of this relationship and understand the effect sizes. The next section walks through the analytical strategy that I use to do this.

#### 4.2.2 Analytical Strategy

To test the implications of the Constrained Coordination theory, I will use regression analysis. The preferred specification estimates the following equation:

$$(2) \quad C_{i,j,t} = \alpha + \beta_1 A_{i,t} + \beta_2 S_{i,j,t-1} + \beta_3 G_{j,t} + \pi_t + \varepsilon_{i,j,t}$$

In the equation,  $i$  indexes donor countries,  $j$  indexes recipient countries, and  $t$  indexes time period. The dependent variable,  $C_{i,t}$  is the in amount of aid coordinated by a donor agency  $i$  in recipient country  $j$  in year  $t$ . The term  $A_{i,t}$  indicates the autonomy level of a donor agency  $i$  in year  $t$ .  $S$  indicates strategic value of recipient  $j$  to donor  $i$  in time  $t-1$ . Strategic interests are lagged because donor governments make decisions about which countries our strategic to them in the fiscal year prior to allocating aid, so most of the pressure on donor agencies will come in the year prior.  $G_{j,t}$  is the level of government and recipient  $j$  in time  $t$ . Like with autonomy, governance does not receive a lag because governance affects the ability of donors to coordinate within that country in real-time.  $\pi_t$  denotes year fixed effects, which are included to control for macro shocks and other time-specific trends potentially affecting donors' willingness to coordinate like

recessions, pandemics, or significant environmental shocks. Standard errors are clustered at the dyad level to allow the error term  $\varepsilon_{i,j,t}$  to be correlated within a dyad.

Because the dependent variable is continuous and bounded from 0 to 1, I take advantage of probit fractional regression for all the regression analysis in this chapter. Fractional regression fits a fractional response model for a dependent variable that is greater than or equal to 0 and less than or equal to 1. These models are often used for outcomes such as rates, proportions, and fractional data, and are far more appropriate for this data than beta regression, time series regression, or OLS regression.

In using fractional regression, I select a probit model for the conditional mean.<sup>6</sup> Consequently, reporting margins makes interpreting the results easier. In my results tables I report elasticities.<sup>7</sup> All of the results can be interpreted as, the percentage change in aid coordinated given a 1% change in the explanatory variable.<sup>8</sup>

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<sup>6</sup> According to the Stata manual, the key insights from quasilielihood estimation is that you do not need to know the true distribution of the entire model to obtain consistent parameter estimates. In fact, the only information that you need is the correct specification of the conditional mean. This means that the true model does not need to be, for example, a probit. If the true model is a probit, then fitting a probit regression via maximum likelihood gives you consistent parameter estimates and asymptotically efficient standard errors. By contrast, if the conditional mean of the model is the same as the conditional mean of a probit but the model is not a probit, the point estimates are consistent, but the standard errors are not asymptotically efficient. The standard errors are not efficient, because no assumptions about the distribution of the unobserved components in the model are made. Thus fracreg uses robust standard errors by default.

<sup>7</sup> Elasticities are calculated using  $dy/(dx \cdot x)$ , or the change in  $y$  for a proportional change in  $x$ . This is appropriate, since the outcome variable is already proportional.

<sup>8</sup> For more on fractional regression, see Hurdle Models from StataCorp LLC (2018)

While the preferred specification only includes agency autonomy, strategic ranking, and governance, I run several other specifications: models with and without the year fixed effects, models that drop governance, and models that add the additional control variables. The next section reports the results of the donor-level regression analyses.

### **4.2.3 Donor Level Results**

Strategic interests and aid agency autonomy are significant predictors of donor coordination. In the preferred specification, displayed in Table 4.6, I find that a 1% increase in autonomy increases the share of aid a donor coordinates by 0.181. Conversely, a 1% increase in the strategic value of a recipient country decreases the share of aid coordinated by 0.026. Finally, a 1% increase in governance quality increases the share of aid coordinated by 0.046. All these effects are significant, and in the predicted direction.



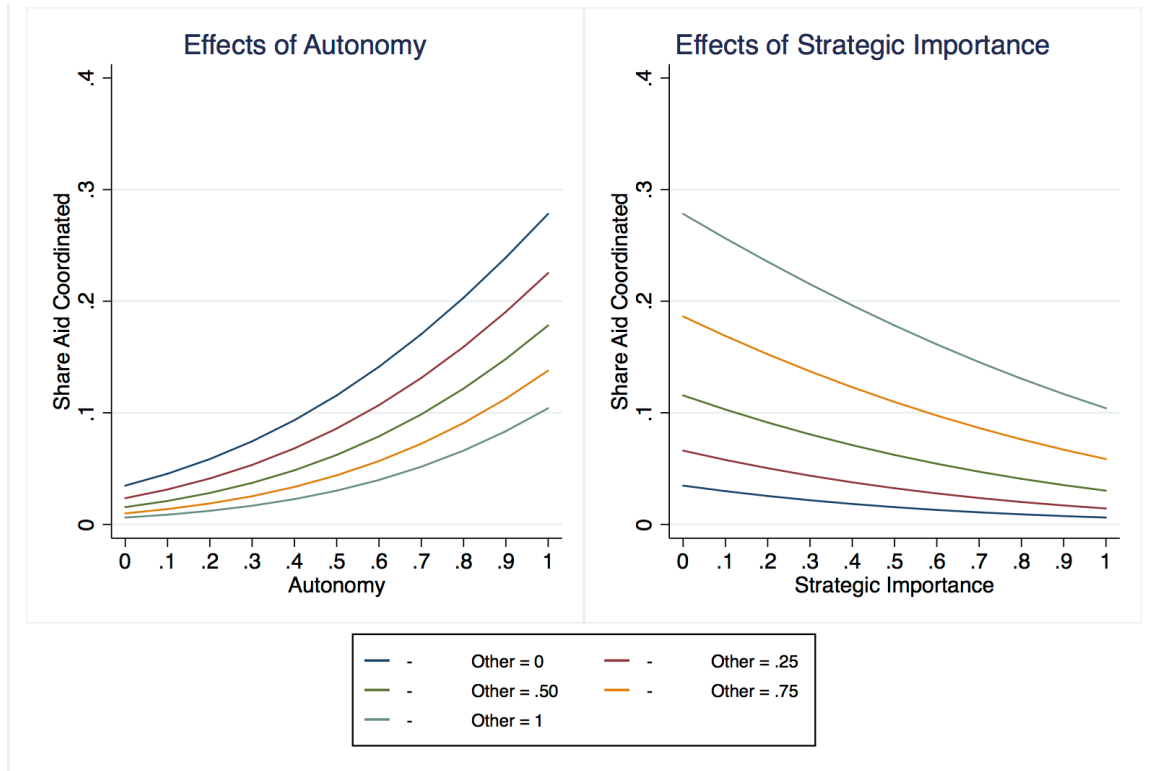
**Table 4.6: Donor-Level Results, Composite Variables**

VARIABLES	(1) Base	(2) Base FE	(3) Govern.	(4) Govern. FE	(5) Pop. FE	(6) All Controls
Autonomy	0.173*** (0.030)	0.173*** (0.030)	0.178*** (0.029)	0.181*** (0.030)	0.180*** (0.030)	0.178*** (0.030)
Composite Strategic 1 (Lag)	-0.035*** (0.012)	-0.035*** (0.012)	-0.035*** (0.011)	-0.026** (0.011)	-0.027** (0.011)	-0.006 (0.011)
Governance			0.048*** (0.007)	0.046*** (0.006)	0.043*** (0.007)	0.009 (0.009)
Population					0.039 (0.029)	0.046 (0.029)
GDP Per Capita						-0.319*** (0.051)
Democracy						-0.005 (0.016)
Life Expectancy						-0.081 (0.242)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
R <sup>2</sup>	0.011	0.0110	0.0317	0.0317	0.0952	0.1120
Observations	6,073	6,073	5,925	5,925	5,891	5,722

Dependent variable is “Share of aid that is coordinated” by a donor agency in a recipient country in time  $t$ . Standard errors in parentheses. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

When looking at all the specifications in Table 4.6, these effects are persistent across most of the models, but how do these results stack up against the original hypotheses? Hypothesis 1 is that “non-strategic donor-recipient relationships should be positively associated with coordination.” Indeed, the composite strategic variable remains significant in all but the final model, which included many measures that may simply be proxies for the variables that feed into strategic value. Hypothesis 2 was that “highly autonomous aid agencies should be positively associated with coordination.”

Again, this holds to be true. Autonomy is positively and significantly associated with the share of aid coordinated across every specification.



**Figure 4.10: Joint Effects of Autonomy & Strategic Interests**

Finally, hypothesis 3 is that “the interaction of a highly autonomous aid agency and a non-strategic donor-recipient relationship should be most positively associated with coordination.” Because interactions cannot be reported using margins, I do not show these results here.<sup>9</sup> However, when an interaction between the autonomy index

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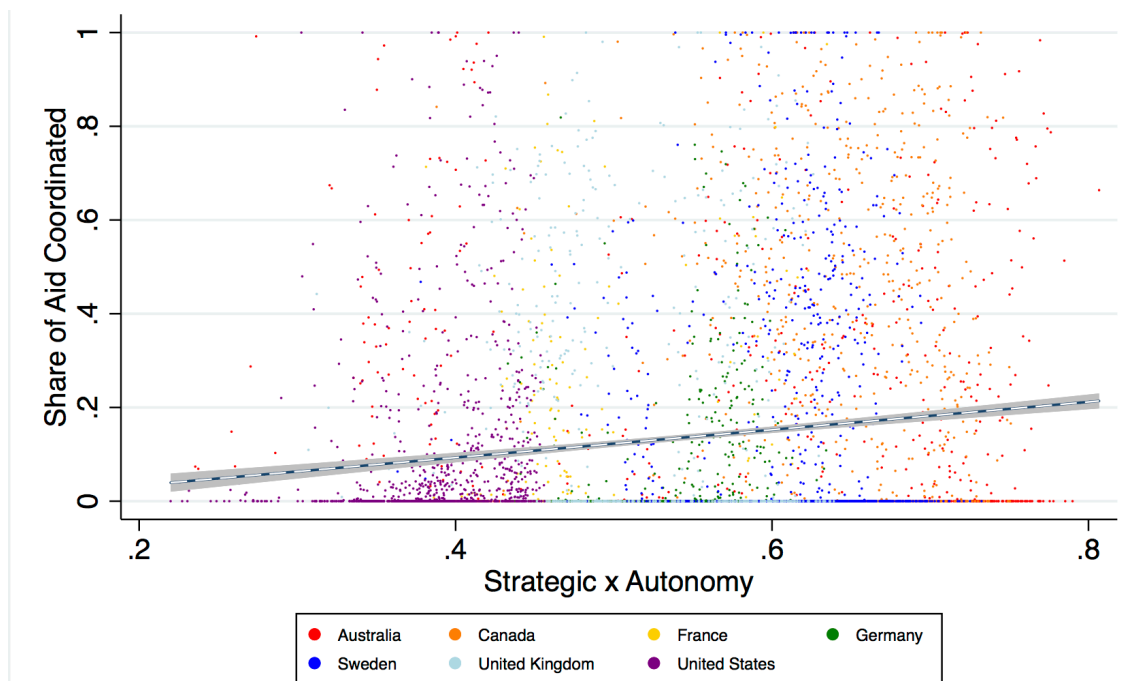
<sup>9</sup> Results are in Appendix G

and the (inverted) strategic index is placed in the preferred specification, the interaction is significant and positive, and at 0.48 the coefficient is larger than any of the autonomy and strategic coefficients – though it is almost impossible to interpret. Though it is difficult to quantify the interaction result as a percent change, we can take the result to mean that highly autonomous aid agencies working in low strategic recipients is a positive and significant predictor donor coordination. This confirms the Constrained Coordination theory.

Figure 4.10 and Figure 4.11 order help to get a sense of this visually. Figure 4.10 shows the results from the preferred specification without the interactions. The graph on the left shows the model's marginal predictions of the share of aid coordinated as the level of autonomy increases, holding strategic interests constant at 0, 0.25, 0.50, 0.75, and 1. Conversely, the figure on the right plots the model's predictions of the share of aid coordinated as the strategic value of the recipient country increases, holding autonomy constant at 0, 0.25, 0.50, 0.75, and 1. It is easy to see that higher levels of autonomy are associated with higher levels of coordination. It is also clear that as strategic value of recipient countries goes up, the level of coordination goes down. However, just as the interaction models predict, the highest levels of donor coordination in both figures occur when autonomy is high, and strategic interests are low.

Figure 4.11, on the other hand, is not a regression result. It is a simple plot of the interaction between the composite agency autonomy and strategic value (inverted so

that a higher value is less strategic) variables, including a line fit. Moving from the bottom left to the top right, donor agencies become more autonomous and recipient countries become less strategic. On this simple scatterplot it is quite clear that there is a positive relationship between a higher interaction score and the share of aid that is coordinated.



**Figure 4.11: Basic Plot, Strategic × Autonomy**

These results provide strong support for the Constrained Coordination theory, but it is helpful to dig into the results further by deconstructing the composite strategic and autonomy variables. The composite autonomy and strategic variables come from a wealth of underlying data that can tell us more about which aspects of each composite

variable are driving the results, if any. The deconstructed models are presented below, in Table 4.7.

There are some interesting patterns that emerge in these results. In the preferred specification – which includes autonomy variables, strategic variables, and governance – all the elements that make up autonomy and strategic are significant, save structural autonomy and trade. Indeed, it appears that the significance of the composite autonomy variable is largely being driven by policy autonomy and interventional autonomy. Policy autonomy has a strong, persistent effect, with a 1% change in policy autonomy associated to an increase of .251 in the share of aid coordinated.

With regards to the strategic variables, Trade, UN Agreement, and Oil Production are statistically significant and negative. This means that as the level of trade goes up, as donors and recipients are more aligned with policy, and as recipients produce more oil, donors coordinate less of their aid. Distance is positive and significant, which means that the further away a country is, the more donors coordinate. These effects are all expected and persistent throughout several models. Interestingly, being involved in a War that includes the donor and having a Colonial History with a donor have significant and positive effects. The effect of war is very small, but persistently significant. However, distance has a large, positive effect that only comes through when governance is the sole control in the model.

**Table 4.7: Donor-Level Results, Deconstructed**

VARIABLES	(1) Base	(2) Base	(3) Govern.	(4) Govern. FE	(5) Pop. FE	(6) All Controls
Policy Autonomy	0.356*** (0.066)	0.240*** (0.061)	0.374*** (0.066)	0.262*** (0.061)	0.245*** (0.061)	0.268*** (0.062)
Structural Autonomy	-0.041 (0.033)	-0.024 (0.033)	-0.048 (0.033)	-0.033 (0.033)	-0.035 (0.033)	-0.035 (0.032)
Interventional Autonomy	0.052*** (0.020)	0.045** (0.019)	0.056*** (0.020)	0.049** (0.019)	0.041** (0.020)	0.046** (0.019)
Trade (Lag)	-0.088*** (0.018)	-0.092*** (0.018)	-0.037 (0.023)	-0.048** (0.023)	-0.082*** (0.031)	-0.030 (0.032)
UN Agreement (Lag)	-0.157*** (0.024)	-0.119*** (0.024)	-0.132*** (0.025)	-0.095*** (0.026)	-0.099*** (0.026)	-0.084*** (0.026)
Oil Production (Lag)	-0.041** (0.020)	-0.039* (0.021)	-0.085*** (0.025)	-0.077*** (0.025)	-0.076*** (0.025)	-0.003 (0.030)
Donor involved War (Lag)	0.002 (0.001)	0.002** (0.001)	0.001 (0.001)	0.001* (0.001)	0.002* (0.001)	0.002** (0.001)
Distance	0.131 (0.119)	0.157 (0.116)	0.227* (0.127)	0.246** (0.125)	0.162 (0.135)	0.184 (0.138)
Colonial History	0.006** (0.003)	0.007*** (0.003)	0.005* (0.003)	0.006** (0.003)	0.006** (0.003)	0.005* (0.003)
Governance			0.035*** (0.013)	0.030** (0.012)	0.023* (0.013)	-0.010 (0.015)
Population					0.131** (0.064)	-0.050 (0.076)
Democracy						-0.008 (0.018)
GDP Per Capita						-0.382*** (0.110)
Life Expectancy						-0.095 (0.320)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Observations	2,370	2,370	2,370	2,370	2,370	2,332

Dependent variable is "Share of aid that is coordinated" in by a donor agency in a recipient country in time t. Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## 4.3 Recipient-Level Analysis

### 4.3.1 Descriptive Statistics

A bare bones version of the descriptive statistics is presented contain just variables in the preferred model. The descriptive statistics for the data that does not include autonomy are very similar to the ones listed above. They can be found in Appendix G. As shown in Table 4.8, some countries see up to 91% of aid coming as coordinated aid, the mean is still very low at 0.13. The autonomy variable is averaged across all donors giving aid to a recipient in a given year. Because this is a limited dataset featuring the same seven donors, average autonomy takes the same values as it does in the donor level data - donors have autonomy values ranging from 0.43 to 0.82, but the mean is less than 50% of the way to the max value. The values in the descriptive statistics for the strategic-only analysis are similar.

**Table 4.8: Recipient-Level Descriptive Statistics**

Version 1: Strategic & Autonomy	N	Mean	SD	Min	Max
Share of Aid Coordinated	1456	0.13	0.17	0.00	0.91
Average Donor Autonomy	1456	0.66	0.04	0.43	0.82
Average Strategic Rank 1	1168	0.52	0.23	0.06	0.99
Governance	1456	-0.48	0.63	-2.56	1.24
132 Recipients, Averages over 7 Donor Agencies					
Version 2: Strategic Only	N	Mean	SD	Min	Max
Share of Aid Coordinated	1459	0.10	0.14	0.00	0.90
Average Strategic Rank 1	1162	0.49	0.23	0.07	0.97
Governance	1459	-0.48	0.63	-2.56	1.24
136 Recipients, Averages over 46 Donors					

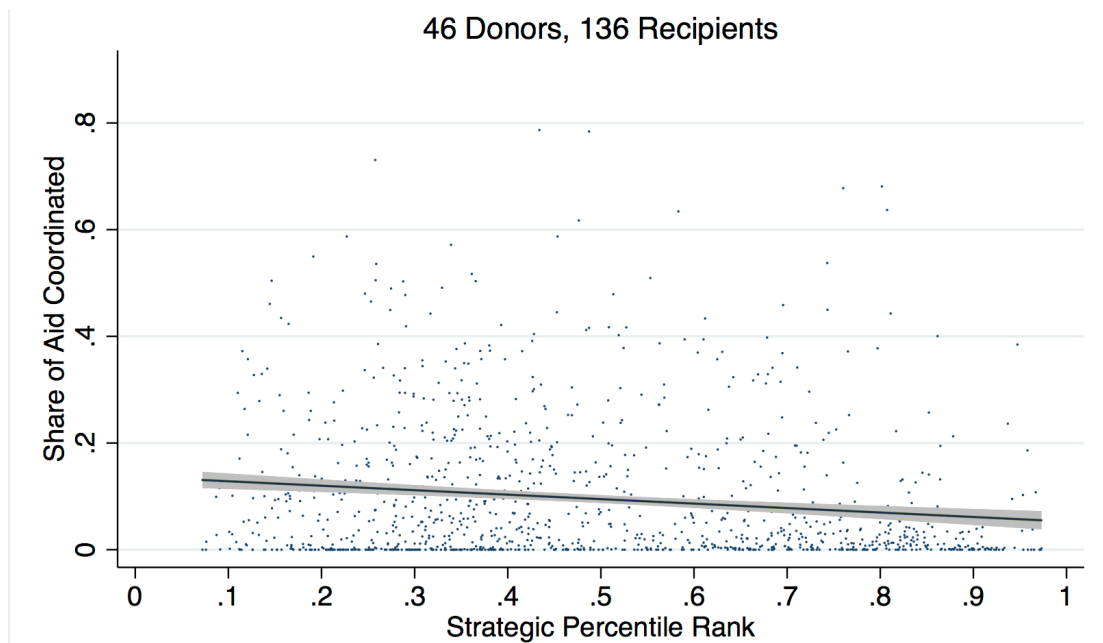
Finally, the average composite strategic variable ranges from 0.26 to 0.99. This range is significantly different from the donor level analyses, because the composite variable in the recipient level analyses is slightly different from the composite strategic variable in the donor level analyses. The donor level analyses compare all donors and all recipients at the dyad level – no aggregation was needed. However, the recipient level analyses need to compare recipients to other recipients by averaging each recipient’s level of “strategic-ness” across all donors.

Consequently, I use a measure that takes the raw composite strategic value of each recipient for each donor (used in the donor-level analyses) and create a 0 to 1 ranking of all recipients for each donor in a given year. For example, in 2010 Nigeria has a raw strategic value of .657 for the donor United Kingdom. This is the highest strategic value across all the UK’s recipients in the year 2010, so Nigeria receives the rank of 1. Next, I take the average of all ranks for each recipient in each year. Averaging Nigeria’s rank across all donors leaves Nigeria with an average strategic value of .831 in the dataset that includes autonomy.

The country’s yearly rankings will differ across these datasets because of the donors included in different data sets. The autonomy data set included to seven donors– Australia, Canada, France, Germany, Sweden, United Kingdom, and the United States. The data set without autonomy includes 46 donors, and averaging a recipient’s rank across 46 donors will shift the final value.



This new strategic variable is also interpreted differently than before. Because the variable is a ranking, the results should be understood in relative terms. The results can be interpreted as the percentage change in coordinated aide given a 1% change in the explanatory variable relative to other recipient countries. That is to say, a percent change in coordinated aid given a 1% change in a recipient's rank.



Individual points plot a recipient-year level observation of their strategic percentile rank among all recipients in that year, and the share of aid coordinated in that recipient country in the given year. The line indicates the prediction of the share of aid coordinated given a recipient's strategic rank based on a simple OLS regression.

**Figure 4.12: Basic Plot - Strategic Interests, Recipient-Level Coordination**

## 4.2.2 Analytical Strategy

Using these variables, the preferred specifications estimate the following equations:

$$(2) \quad C_{j,t} = \alpha + \beta_1 A_{j,t} + \beta_2 S_{j,t-1} + \beta_3 G_{j,t} + \pi_t + \varepsilon_{i,j,t} \quad \text{and,}$$

$$(3) \quad C_{j,t} = \alpha + \beta_1 S_{j,t-1} + \beta_2 G_{j,t} + \pi_t + \varepsilon_{i,j,t}$$

Model 2 is the preferred specification for the analysis of the effects of average autonomy and average strategic rank on donor coordination, and Model 3 is the preferred specification that estimates the effects of solely a recipient's average strategic rank on donor coordination. As was the case in the donor-level equation,  $j$  indexes recipient countries, and  $t$  indexes time period. The dependent variable,  $C_{i,t}$  is the amount of aid coordinated in recipient country  $j$  in year  $t$ .  $S$  indicates strategic value of recipient  $j$  in time  $t-1$ .  $G$  is the level of government and recipient  $j$  in time  $t$ . Year fixed effects are denoted by  $\pi_t$ .

Model 2 has the additional term  $A_{i,t}$  to indicate the average autonomy level of the (up to seven) donor agencies in country  $j$  in year  $t$ . Just as in the donor-level models, strategic interests are lagged, and autonomy and governance are not lagged because donor governments make decisions about which countries are strategic to them in the fiscal year prior to allocating aid, so most of the pressure on donor agencies will come in the year prior. Standard errors are clustered at the recipient country level to allow the error term  $\varepsilon_{i,j,t}$  to be correlated within a recipient. All models are estimated using

fractional regression and reported as margins for ease of interpretation, as outlined above.

### **4.3.3 Recipient-Level Results**

#### **Strategic Interests and Autonomy**

A recipient's Average Strategic Rank is negatively and significantly associated with donor coordination. As shown in the results in Table 4.9, a 1% increase in a recipient's strategic rank is associated with a 0.049 increase in the share of aid coordinated within that recipient country. In the deconstructed results (which are found in Appendix G), Trade is the only sub-component of strategic interests that is significant and in the right direction, and a 1% increase in trade is associated with a 0.151 decrease in the share of aid that is coordinated. UN Agreement and Oil Production, and Distance are all in the expected directions, but lack significance. Just as in the donor-level results, War and Colonial History have unexpected, positive, and significant effects on donor coordination.

Across all specifications, the Average Autonomy of agencies working in a recipient country is not significantly associated with donor coordination. This means that the average autonomy of donors does not have a significant effect on the level of coordination within a recipient country, though the result is in the expected, positive direction. However, when we break autonomy down into three components – policy autonomy, structural autonomy, and interventional autonomy – there is an interesting

story as shown in the deconstructed results found in Appendix G. When there are fixed effects, policy autonomy has a strong, significant, and negative association with donor coordination. The preferred specification shows an effect size of a -0.611 decrease in the coordinated aid given a 1% increase in policy autonomy. On the flipside, interventional autonomy has a strong (though not as strong), positive, and significant association with donor coordination – with an effect size of a 0.280 increase in donor coordination given a 1% increase in interventional autonomy.

Governance has a positive and significant association with donor coordination. In the preferred specification, a 1% change in governance is associated with an increase of 0.027 in the share of aid coordinated. Just as in the donor level results, the results are significantly weakened when all controls are included in the model. Average Strategic Rank is still weakly significant and has the smaller effect, and Governance stops being significant altogether.

**Table 4.9: Recipient-Level Results**

VARIABLES	Strategic & Autonomy		Strategic-Only	
	(1a) Base FE	(2a) Govern. FE	(1b) Base FE	(2b) Govern. FE
Avg. Donor Autonomy	0.085 (0.153)	0.078 (0.157)	–	–
Avg. Strategic Rank 1	-0.053*** (0.018)	-0.049*** (0.017)	-0.039*** (0.012)	-0.040*** (0.011)
Governance		0.027*** (0.009)		0.019*** (0.007)
Avg. Across # Donors	7	7	46	46
# Recipient Countries	132	132	136	136
Year Fixed Effects	Yes	Yes	Yes	Yes
R2	0.0447	0.0546	0.0362	0.0437
Observations	1,158	1,158	1,153	1,153

Dependent variable for models 1a and 2a is “Share of aid that is coordinated” by seven select donors in the recipient country in time t. Year fixed effects included. Standard errors in parentheses. Full results are in Table 33 and Table 35 in Appendix G

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### Strategic-Only Results

The results for the regression of only strategic interests on donor coordination are included in Table 4.9 as well. Just as in the progressions with autonomy included, average strategic rank has a significant and negative effect on donor coordination. That is to say, a 1% increase in rank is associated with a decrease in aid coordination of 0.040, or 4%. The effect of governance is smaller, but still highly significant – a 1% change in governance is associated with about a 2% increase in share of aid coordinated within a recipient country. As seen in the full results found in Table 35 of Appendix G, the effects

remain even with the addition of population as a control. However, the addition of democracy, GDP per capita, and life expectancy to the progression wipe out the results for both aberrant strategic rank and governance.

In the preferred specification of the deconstructed results, only Oil Production is significant and in the predicted direction. A 1% increase in oil production is associated with a 6% smaller share of aid that is coordinated. Trade is in the correct direction, but it is not significant. Average UN Agreement and Average Distance have results in the opposite direction of what is predicted by the Constrained Coordination theory, though they are not statistically significant. Finally, being involved in the war including a doctor owner and having a colonial history with donor do not seem to have any effect on the amount of coordination within the recipient country.

#### ***4.4 Summary of Findings***

The analyses in this chapter generally support the Constrained Coordination theory. In the donor-level analyses, I find that donor agencies with higher levels of autonomy coordinate more, and that donor agencies coordinate more aid in recipient countries that have less strategic value to their home countries. In the recipient-level analyses, I find that the more strategic the country is relevant to have two other recipients, the less coordinated aid that country receives. In addition to these theory-

supporting results, there are some interesting surprises to be explored in the recipient country level and in the models with the deconstructed composite variables.

#### **4.4.1 Strategic Interests**

Donors coordinate their aid less in countries that are strategically important to their governments. From a broader, recipient country perspective, recipient countries that are highly strategic to many donors experience less aid coordination. While the composite strategic variable is significantly and negatively associated with aid coordination as predicted by the Constrained Coordination theory, there is interesting variation in the sub-components that make up the strategic variable.

Many of the sub-components of strategic interests are significant and in the predicted negative direction. Trade is always negatively associated with donor coordination. Across all the models, Trade generally has the largest negative effects on coordination in addition to being statistically significant. This implies that economic interests of donor countries are an incredibly important factor in strategic interests, and consequently have a strong dampening effect on donor coordination.

While Oil Production and UN Voting alignment are not persistently significant across all models, their movement in the predicted negative direction may indicate that they are also important strategic interests as well. Oil Production may simply be a weak proxy for economic interests, as it is a valuable good that countries trade. The inclusion

of UN Voting is an attempt to capture a general sense of political and ideological alignment between donors and recipients. Both factors are strong predictors of coordination in the donor-level analyses. This indicates that while donors take these into account on an individual basis, being an oil-producing nation is not a sufficient predictor of poor coordination at the recipient-level. Similarly, the UN Voting variable is averaged in the recipient-level analysis. It is not clear exactly what this means – a medium score it might mean that a recipient agrees a lot with some donors and infrequently with other donors. However, it could also mean a recipient country is generally agreeable. It is possible that average UN Agreement is a poor sign of ideological and policy alignment for the recipient level analysis.

While Distance flips signs across models, it is often insignificant. In recipient level analyses, may fail to capture any real variation in distances, as it is averaged. The only time that distance becomes significant in the donor level analyses is when governance is introduced into the model. This means that donors coordinate more in countries that are far away and have good governance. This result aligns closely with Bermeo's (2015) findings that donor send more aid to states with poor governance that are nearby to lessen spillovers to themselves. My findings mirror this – well governed, far off recipients are less strategic, and consequently foster more coordination.

Colonial History and War are each positively associated with donor coordination in these analyses - the opposite of the expected direction. The non-colonial subgroup has



a mean strategic score that is 23% larger than the colonial subgroup – a statistically significant difference. It may be that there is more coordination in former colonies simply because on average colonies are significantly less strategic overall.

The result for War is less straightforward. As anticipated, countries that are in a war that involves any of their donors have average strategic scores and rankings that are significantly higher than those that are not at war. Consequently, it is not clear why war should be positively associated with donor coordination. When the regressions are rerun to consider countries that are experiencing any war – donor involved or not – the results do not change.<sup>10</sup> It may be that there is something unique about donor agencies working in countries that are experiencing a severe armed conflict.

#### **4.4.2 Agency Autonomy**

Donor agencies with a higher level of autonomy coordinate more. While autonomy has a strong, positive, and significant effect on the share of aid that is coordinated within a recipient country, the deconstructed and recipient level results tell a broader story. In the deconstructed results, policy autonomy (government control by specifying ex-ante rules, standards, and norms) and interventional autonomy (freedom

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<sup>10</sup> Countries at war involving at least 1 DAC donor include Yemen, Saudi Arabia, Pakistan, Mali, Jordan, Iraq, and Afghanistan - Azerbaijan, Central African Republic, Democratic Republic of the Congo, Georgia, Mauritania, Nigeria, Rwanda, Somalia, Uganda, and Ukraine.

from government control by the means of reporting requirements, evaluation and audition enforced by using sanctions or direct interventions) generally drive the results.

The issue is in the interpretation of the results. In the donor-level analysis, the significance of policy autonomy and interventional autonomy has a straightforward meaning. Policy autonomy contains items such as the ability of a donor agency to set its own goals, choose its own recipients, select the organizations it funds, and build a development-oriented expertise across agency leadership and civil service. It makes intuitive sense that aid agencies freedom to do these things is positively associated with coordination. Interventional autonomy likely works through similar channels, but as captures ex-post evaluation, sanctions, reports, and other avenues that leave the agency vulnerable to punitive action of legislators and executives who are anti-coordination.

Structural autonomy (government control using hierarchical accountability lines towards the agency head or a supervisory board) is not positive or significant in a single version of the preferred specification at the donor or recipient level. In some cases, it is in the right direction, but lacks significance. In other models, it is a negative and statistically significant predictor of the share of aid coordinated. There are two potential explanations for this. First, it is possible that it does not matter so much where the agency is located in the government or how many appointees populate the agency. So long as the agency has policy and interventional freedom from its government, an agency's leadership and location may be unimportant.

A second potential explanation for the unanticipated null and negative results of structural autonomy is that there may be a measurement problem. Some of the components that make up structural autonomy have to do with the institutional location of the agency. These variables are coded to with higher values as the agency moves up in the government hierarchy. For example, Australia and Canada both change the location of their agency to and from sub-independent, cabinet-level agencies. Literature on aid agency autonomy theorizes that aid agencies that are located in higher positions in government have more sway in pushing a development-oriented policy portfolio. However, these results suggest that high-level aid agencies may actually be more prone to political and strategic interests.

It is important to note that average donor autonomy has a large, negative, and statistically significant association with donor coronation. A potential explanation for this issue is that there are only 7 donors included in this analysis. While each donor's autonomy may be a good measure of their own level of coordination within a recipient country (as is the case in the donor-level analyses), the average used in the recipient-level analyses is not a complete measure of autonomy for agencies in that recipient country. Since it is only a measure of up to 7 of the donors in that country, it may be far off from the true value of average autonomy of agencies working in a recipient country in a given year.

#### **4.4.3 Interaction: When Autonomy and Strategic Interests Meet**

The Constrained Coordination theory predicts that the juxtaposition of agency autonomy and strategic interests should have a greater effect together than they do alone. Indeed, when an interaction between the autonomy index and the (inverted) strategic index is included in the preferred specification, the interaction is significant and positive, and at 0.48 the coefficient is larger than either of the autonomy and strategic coefficients. This means that the marginal effect on donor coordination of an aid agency's autonomy depends on strategic value of the recipient country, and vice versa. In plain terms, the lower the autonomy of an aid agency, the greater (more negative) the effect of strategic interests on coordination is. Conversely, the lower the level of strategic value of a recipient, the greater (more positive) the effect of agency autonomy is on donor coordination.

#### **4.4.4 Controls**

Prior to this research, there were no directly relevant studies to guide the selection of control variables to be used in this type of donor coordination research. However, the results of these analyses suggest that Governance, Life Expectancy, and GDP per Capita should be included in future analyses of donor coordination within a recipient country. Governance has a positive and significant effect on coordination, and this effect is stable across the various models. Furthermore, Distance is only significant

when Governance is included in the model, meaning that donors coordinate more in countries that are far away and have good governance.

Across the various models, Life Expectancy has a persistent, negative association with donor coordination. There is no significant literature that shows the importance of life expectancy and other measures of need to donor coordination. However, the result is interesting. The basic interpretation is that as recipient need goes down (in this case, as life expectancy goes up and people in the recipient countries are healthier) countries are more strategic. A similar argument can be made about the persistent negative and statistically significant results with regards to GDP per Capita. The negative and statistically significant results on the composite strategic variables all disappear with the addition of Life Expectancy and GDP per Capita. Perhaps this is because these variables are capturing what it means to be strategic in a different way. They may be equal, or perhaps better measures, of strategic interests than some of the measures that are currently included in the composite strategic variable.

Population and Democracy are largely insignificant, and frequently flip from positive to negative across models. While these variables are tested and true predictors of donor decisions about regarding aid recipients and volumes, they do not appear to have any significant role in explaining coordination patterns.

## **4.5 Conclusion**

This chapter adds evidence to the ambiguity surrounding donor coordination and largely confirms the hypotheses of my Constrained Coordination theory. By leveraging unique datasets in a series of quantitative analyses, I find that donor agencies coordinate more of their aid when they are more autonomous from their home governments. I also find that aid agencies coordinate less in recipient countries that have strategic value. These effects amplify one another, so that highly autonomous aid agencies coordinate the most in recipient countries of low strategic value to their government.

While this chapter greatly expands our knowledge of donor coordination, there are still many questions that are unanswered. These analyses only looked at donors' financial coordination, as the dependent variable is the "Share of Aid Coordinated." However, donors can coordinate in other ways that are not captured by financial flows. Donors may agree to serve different regions of a recipient country, finance separate parts of projects, by meeting and creating informational systems to share information and strategies, and more. How do these other types of coordination work? Furthermore, the donors included in the analyses are all members of (or report to) the OECD Development Assistance Committee even though there is a growing and important fraction of aid that comes from non-DAC donors like China, South Africa and

Brazil. How do these donors coordinate, if at all? The following chapters use qualitative evidence from interviews with bureaucrats from various aid agencies, multilateral organizations, and recipient countries to explore different types of coordination and the coordination practices of non-DAC donors.

## 5. Donor Coordination for Health & HIV/AIDS in Nigeria

### “Quantity versus Quality” Coordination in A High Priority Country

Some organizations are really weak, and partnering can be a challenge. They don't want their staff to be looked at that way, but they're afraid of the oversight.<sup>1</sup>

- UNAIDS Respondent

We have a new department just for coordinating donors – but they react as if we are trying to wrangle them. Some donors feel that this is an extra level of policing. It's only when you have something to hide that you won't want to come.<sup>2</sup>

- Nigerian National Agency for the Control of HIV/AIDS Respondent

In order to explore the impact of strategic interests and aid bureaucracy on coordination, in the next two chapters I present case studies of country level donor coordination in Nigeria and Zambia. In these chapters, I take an in depth look how donors coordinate in these countries using qualitative data from interviews with key actors in the Nigerian and Zambian HIV/AIDS responses, supplemented by primary and secondary documents. Interview respondents also spoke to the role that strategic interests and bureaucratic roadblocks play in helping or harming the path to coordination. Additionally, these chapters will explore the local specificities that are important when donor agencies attempt coordination, discussing topics that donor agency staff identified as key issues - such as different notions about best practices and

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<sup>1</sup> Interview 20, 1 July 2016

<sup>2</sup> Interview 53, 12 July, 2016



goals of coordination, the role of the recipient government, and the importance of motivated stakeholders.

In this chapter, I present the case of HIV/AIDS and health donor coordination in Nigeria. Donor agencies are very poorly coordinated in Nigeria. This is not to say that there were not coordination efforts. As I will show, Nigeria's National Agency for the Control of HIV/AIDS (NACA) has been one of the most active government HIV/AIDS bodies in Sub-Saharan Africa, and its central purpose is to serve as a coordinating agency for all HIV/AIDS activity in Nigeria. Furthermore, there was a plethora of donor agency-led coordination bodies in Nigeria. However, there was a general sense of frustration with coordination. NACA officials expressed the feeling that Nigeria is not in control of its own HIV response, and that its voice was lost in a sea of "coordination" activity. Similarly, many donor respondents felt that coordination meetings were circular and unproductive.

Why are donor agencies so poorly coordinated in Nigeria, despite intensive efforts by government, and bilateral and multilateral donors? The Constrained Coordination argument provides some explanation. First, by almost every measure of strategic prioritization used in the literature, Nigeria is a high priority country to many donor governments. Nigeria's economy, politics, and security situations are of vital global and regional importance, and donor governments pay attention accordingly. Furthermore, many of the top bilateral donor agencies for HIV/AIDS (and health more

broadly) are donors that have low bureaucratic autonomy and are less prone to coordination.

The rest of this chapter proceeds as follows - Section 1 provides background on Nigeria's health system and HIV/AIDS epidemic, and the deeply embedded role of donors in these spaces. In Section 2, I present the case study of donor coordination in Nigeria. Interviews and donor documents do not paint a cohesive narrative about coordination, and I map out the complex webs of overlapping efforts. In Section 3 I apply my Constrained Coordination argument to the Nigeria case, making the case that Nigeria is a high-priority country, and that the donors' strategic priorities and bureaucratic characteristics shaped Nigeria's poor coordination outcomes. Section 4 concludes.

## ***5.1 Health and HIV/AIDS in Nigeria***

Nigeria has a large, poor population and a complex and underdeveloped health system. The country struggles with an increasingly complex disease burden due to poverty associated with communicable diseases, armed conflict and terrorism, in conjunction with the rise of noncommunicable diseases as consumption of processed foods and sedentary lifestyles increase. Although there are pockets of wealth in the country, more than 60% of the population lives beneath the poverty line. Consequently, donors send Nigeria huge amounts of foreign aid, giving a net total of US\$2.5 billion in

2016. Almost every OECD Development Assistance Committee (DAC) donor is active in Nigeria's health sector in some form, and hundreds of millions of dollars in health aid flow into the country annually. This section expands on the health and HIV/AIDS context in Nigeria, and introduces the important role of foreign aid donors in Nigeria's health architecture and HIV/AIDS response.

### **5.1.1 Health and Health Care in Nigeria**

Health indicators and the health sector suffered heavily during Nigeria's second period of military rule that lasted from 1983-1999. Upon Nigeria's return to democratic rule in 1999, life expectancy was just 45 years and 47 years for males and females respectively. Currently, though the nation boasts one of Africa's largest economies, Nigeria has high levels of poverty and communicable diseases. Despite containing only 2.5% of the world population, Nigeria accounts for between 6 and 12% of the world's HIV positive population, about 10% of the world's infant, child and maternal deaths, and more than 15% of Nigerian children under 5 die of preventable diseases (Uduji 2016).<sup>3</sup> With changes in diet and urbanization, Nigeria has also experienced a drastic increase in the rates of non-communicable diseases like heart disease, type 2 diabetes, cancers, and more, not unlike other middle-income countries around the world. While

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<sup>3</sup> Some statistics taken from [UNAIDS Nigeria Country Profile](#) and the World Health Organization's [Global Health Observatory](#), which produce vastly different estimates of Nigeria's [HIV burden](#).

the situation has slowly improved since Nigeria’s return to democracy, life expectancy is still very low at about 53 years for men and 54 years for women.

The Federal Government of Nigeria (GON) works in collaboration with donor agencies and other development partners to increase access and quality of health care to the available to the populace, as well as reduce morbidity and mortality.<sup>4</sup> In order to address the breadth of health issues facing the country, GON works with donors to ensure that support provided by donor organizations is aligned with national priorities. This is a first-line attempt to coordinate the actions of government agencies, donor agencies, and other actors towards achieving health development goals, so that specific targets, states, and high-profile diseases like HIV do not overshadow important, but low-profile needs like primary healthcare.

**Table 5.10: Health Spending in Nigeria, 2015**

Entity	Contribution (Per Capita \$US)	% of Health Spending
Public Expenditure	16.1	16.5%
Donor Expenditure	9.7	10.0%
Out-of-Pocket Expenditure	70.3	72.3%
Subtotal	96.1	98.8%
Total (with other sources)	97.3	100%

Source: [World Health Organization Global Health Observatory data repository](#).

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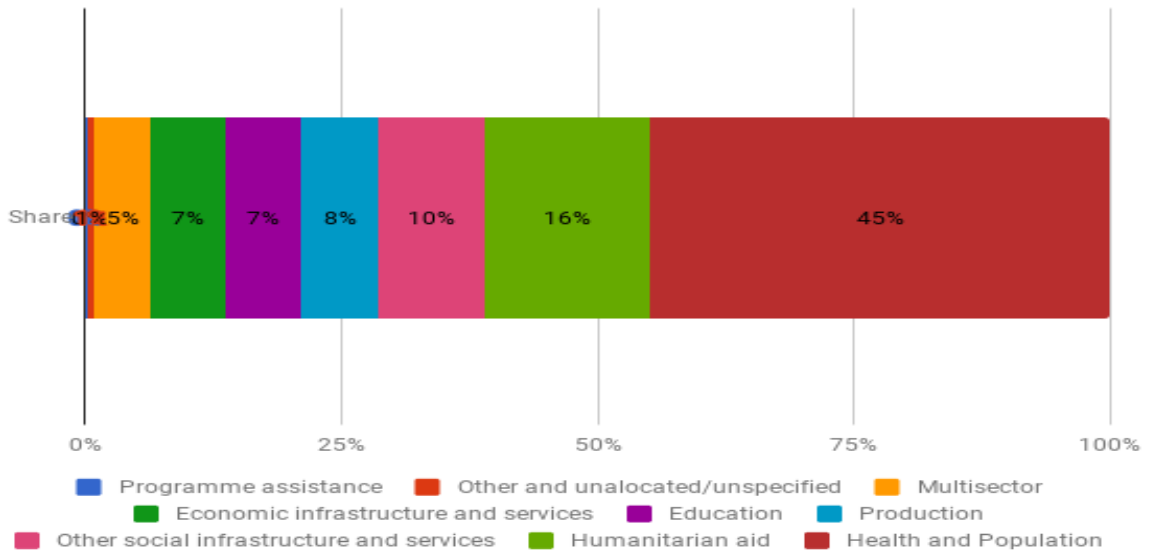
<sup>4</sup> National Strategic Health Development Plan 2010.

Despite the variety of health challenges facing the Nigerian population, an average of just 3.8% of the Federal Budget was allocated to health from 2016-2018, well below the government's commitment to allocate 15% of the budget to MOH.<sup>5</sup> As shown in Table 5.10, in 2015 public funds – including federal, state, and local level funds – covered about 16.5% total health spending, totaling just under US\$3.1 billion. Public spending on health outweighs donor spending. However, we can contrast the relatively small allocation of health funding by the federal government to donors' great emphasis on health. Even though donor money – about US\$1.9 billion – comprises just 10% of health expenditure, OECD donors allocated almost half of their aid (45%) to health, as shown in Figure 5.13.<sup>6</sup>

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<sup>5</sup>In April 2001, GON met with other African Union countries and signed The Abuja Declaration, setting a target of allocating at least 15% of their annual budget to improve the health sector.

<sup>6</sup> Ben Leo makes a strong case that donors should stop supporting Nigeria's health sector with aid, considering the wealth of resources of the Nigerian government in "Is it Time to End the Nigeria Aid Charade," Center for Global Development. 2014



Source: Data from the OECD DAC Aid Data, 2018

**Figure 5.13: Share of ODA to Nigeria by Sector**

The US is the largest health donor in Nigeria – committing over US\$550 million in health and HIV/AIDS funds in 2016. Table 5.11 below lists Nigeria’s top health donors, and other top bilateral donors to Nigeria’s health sector are the UK, Canada, and Germany. Nigeria’s other large health donors are multilateral donors and disease-specific funds, including the Global Fund, Gavi (the Vaccine Alliance), the World Bank’s International Development Association, European Union institutions, and UNICEF.

**Table 5.11: Nigeria's Top Health Donors, 2016**

Donor	Health Aid (US\$ Millions)
United States	311
Global Fund	134
Gavi, Vaccine Alliance	128
United Kingdom	114
World Bank	70
Canada	21
UNICEF	14
EU Institutions	12
Germany	12

These figures include foreign assistance for HIV/AIDS.

Source: Data from the OECD DAC Aid Data, 2018

### **5.1.2 The HIV/AIDS Response in Nigeria**

While donors are active in Nigeria's health sector, government and out-of-pocket expenditure dwarfs donor spending. However, the opposite is true in Nigeria's HIV/AIDS response. The first AIDS case in Nigeria was reported in 1986. Within a year, Nigerian authorities set up the National Expert Advisory Committee on AIDS and requested the assistance of WHO leading to the establishment of several HIV testing centers in the country and the development of a comprehensive plan for the nation's battle against HIV/AIDS. However, no serious efforts at tackling the epidemic were evident until the return of democracy in the country in 1999 (Awofala and Ogundele 2016; Nasidi and Harry 2006).

By the turn of the century, HIV/AIDS prevalence rates were more than 5% of the population. Nigeria's first democratic president, Olusegun Obasanjo declared that his

government would provide drugs to AIDS patients and free drugs to military soldiers beginning September 2001 (Dagne 2005; Mathews 2002).<sup>7,8</sup> Unfortunately, this program struggled in many ways, in particular failing to procure a consistent supply of the cheap generic HIV treatments from India. In response to the growing HIV/AIDS financing and supply chain challenges facing Nigeria, President Obasanjo met with world leaders from the United States, United Kingdom, and the United Nations, having targeted discussions with about the need to increase support of the HIV/AIDS response in Nigeria and across Africa (*Africa's Political Response to HIV/AIDS* 2002; Dagne 2005).

**Table 5.12: HIV/AIDS Prevalence**

1991	1.8%
1993	3.8%
1996	4.5%
1999	5.4%
2001	5.8%
2003	5.0%
2005	4.4%
2008	4.6%
2010	4.1%
2013	3.4%
2014	3.0%

Data from NACA National HIV/AIDS Strategic Frameworks, 2011-2015 and 2017-2021

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<sup>7</sup> "President Obasanjo Leads the Fight against AIDS," *International Press Service* 6 August 2001

<sup>8</sup> "Nigeria's AIDS Program Runs Out of Drugs," *Washington Post* 3 February 2004



The international community responded. In the last 15 years, increased attention from the government and international donors changed the course of Nigeria's epidemic, and current HIV/AIDS prevalence rate is 3.2%. While this is only the 21<sup>st</sup> highest HIV/AIDS burden in the world, the country's large population means that Nigeria has the 2nd largest number of people living with HIV/AIDS in the world (after South Africa), and more people dying of the disease than any other nation.<sup>9</sup> Though Nigeria's HIV/AIDS epidemic is generalized – meaning that the presence of HIV among the general population is sufficient for heterosexual sex networking to drive the epidemic – an important issue in the country's HIV response is the undercounting of key populations that are more vulnerable to contracting the diseases.<sup>10</sup> Donors have expressed concern that these key populations like brothel-based female sex workers (19.4%), non-brothel-based female sex workers (8.6%), and men who have sex with men (22.9%) have very high prevalence rates, some of which are increasing and show no signs of going down.<sup>11</sup> Unfortunately, only about a quarter of Nigerians living with HIV currently receive antiretroviral therapy treatment, and just 13% of children living with HIV are on treatment.<sup>12</sup>

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<sup>9</sup> Statistics are drawn from the [CIA World Factbook](#). (2017)

<sup>10</sup> UNAIDS (2008), [What are the different epidemiological scenarios?](#)

<sup>11</sup> Source is the 2017 PEPFAR Country Operational Plan, prevalence rates in parentheses indicate the percentage of people in that group who have HIV or AIDS

<sup>12</sup> 81% of those on treatment are virally suppressed, meaning that they are no longer infectious.

In 2000, GON created the National Agency for the Control of AIDS (NACA), a federal government agency that oversees the HIV/AIDS response in Nigeria. NACA was established to coordinate all HIV/AIDS actions in Nigeria, because the sheer breadth of the HIV response was so complex. According to the data from various sources, from 2008-2014, more than a half-billion dollars have been spent annually on the five key areas of the HIV/AIDS response: prevention, testing services; elimination of Mother-to-Child transmission; Treatment, and Care; Support and Adherence for People Living with HIV/AIDS. Before NACA, the government was not spending nearly enough to put a dent in any of these critical areas. However, with the support of donor agencies' advocacy, NACA has been able to pressure the government to drastically increase spending on HIV. Even with this increase, government funding pales in comparison to donor money. Government funds were the source of 27% of the HIV/AIDS spending in the country, but as seen in Table 5.13 the clear majority of the funding for HIV/AIDS program in Nigeria comes from donors.

**Table 5.13: Funding Sources for Nigeria’s Largest HIV Donors<sup>13</sup>**

Year	PEPFAR Planned Funding (\$M)	GON Funding (\$M)	GFATM Funding (\$M)	Total Funding (\$M)	% PEPFAR Funding
2004	74.3	-	2.9	-	-
2005	111.2	-	15.2	-	-
2006	163.6	-	19.7	-	-
2007	302.5	43.9	6.7	353.0	85.7%
2008	444.7	30.1	42.2	517.0	86.0%
2009	438.6	98.1	34.5	571.2	76.8%
2010	456.6	125.3	24.4	606.3	75.3%
2011	488.5	88.9	56.3	633.7	77.1%
2012	478.4	123.0	73.8	675.1	70.9%
2013	458.7	132.5	137.9	729.1	62.9%
2014	458.7	171.2	71.7	701.6	65.4%
2015	391.0	-	61.6	-	-
2016	234.8	-	59.3	-	-
2017	240.5	-	107.5	-	-

Source: GFATM, GON, PEPFAR, and UNAIDS documents.

The US initiative PEPFAR is the largest funder of HIV/AIDS activities in Nigeria, as seen in Figure 5.14. The US provided over US\$450 million annually from 2010-2014 through PEPFAR. In fact, since its inception in Nigeria in 2004, PEPFAR has disbursed more than US\$5.1 billion to support the Nigeria HIV/AIDS response. Though funding has decreased steadily since 2015, PEPFAR is still the largest funder of the HIV/AIDS response. The Global Fund is the second largest HIV donor in Nigeria, having disbursed more than US\$735 billion in HIV/AIDS relief to Nigeria. However, Global Fund giving has been far less predictable over time, and in the last 5 years their funds have ranged from as high as US\$138 million in 2013 to as low as US\$60 million in 2016.

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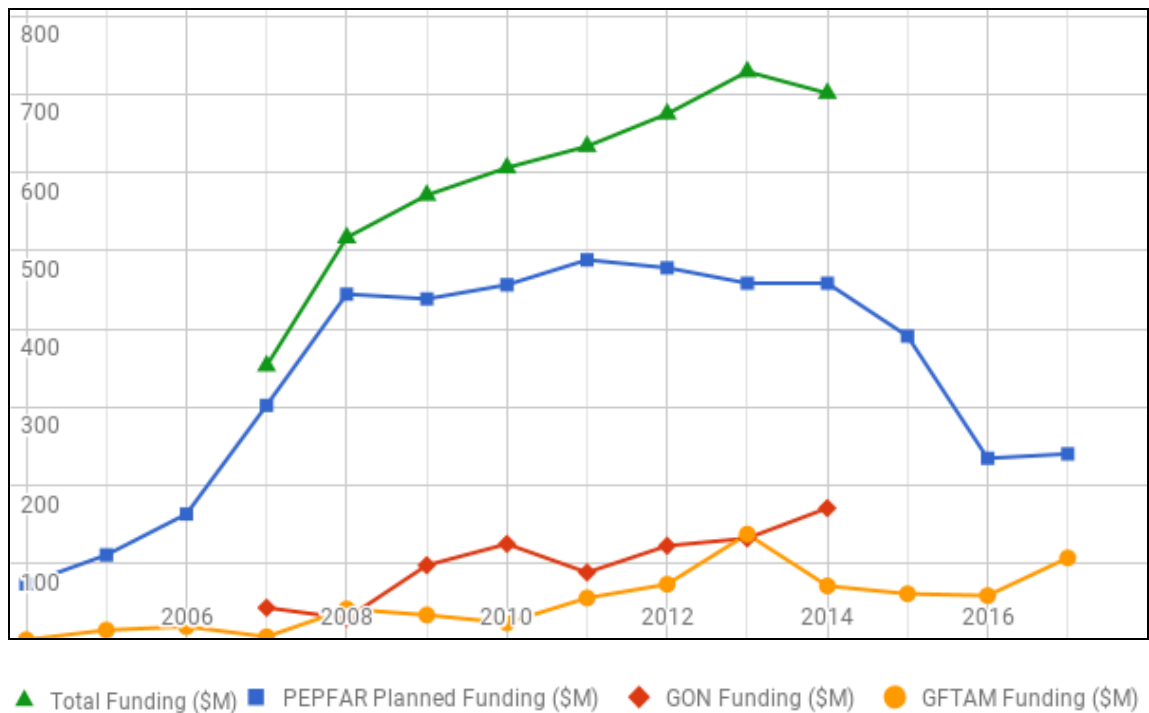
<sup>13</sup> Data from the [National HIV/AIDS Spending Assessments](#) produced from 2010-2015.

Nigeria's other large bilateral donors for HIV/AIDS are the United Kingdom (DFID/UKAid), Canada (CIDA), Germany, and Japan (JICA). The top multilateral donors are the World Bank's IDA, the United Nations Children's Fund (UNICEF), the Joint United Nations Programme on HIV and AIDS (UNAIDS), United Nations Development Fund (UNDP), United Nations Population Fund (UNFPA) – all part of the United Nations family.<sup>14,15</sup> Though these are the top donors, Nigeria certainly has more HIV/AIDS donors, including bilaterals like the European Institutions, Ireland, France (AFD), Norway (NORAD), Italy, Sweden (Sida), and Finland. Other non-bilaterals include the Bill and Melinda Gates Foundation, the AIDS Foundation, the Clinton Health Access Initiative (CHAI), and more.

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<sup>14</sup> For more details about each donors' HIV/AIDS assistance over time, see Appendix.

<sup>15</sup> Some statistics drawn from UNAIDS' "National Aids Spending Assessment." (2014)



Estimated from the UNAIDS NASA (2007-2012), Annual PEPFAR COP (2004-2017), and GFATM Country Profile

**Figure 5.14: Estimated HIV/AIDS Funding Sources, Nigeria**

## **5.2 Coordination of Aid for Health and HIV/ AIDS**

### **Methods and Overview**

Donor coordination in Nigeria involves a complex web of actors and activities. I used evidence from 43 in-depth interviews, and primary and secondary documents to piece together all the activities that make up the donor coordination landscape and its success. The interviews were with key actors in the delivery of aid for HIV/AIDS, the Nigerian health sector, and foreign assistance networks. Interviews were conducted via telephone from the United States, or in person in Abuja, Nigeria or Johannesburg, South

Africa. In Abuja I sampled using a snowball method of introductions and cold calls. In South Africa, I sampled using a snowball method of introductions at the 2017 U.S. President's Emergency Plan for AIDS Relief (PEPFAR) Country Operational Planning (COP) conference. Additional information about the data collection and interview process can be found in the Qualitative Methods section of Chapter 3 or Appendices A and B. Using respondents' narrative as a guide, I pieced together the donor coordination landscape for both health and HIV/AIDS in Nigeria. I used qualitative data software NVivo to code important coordination bodies, documents, and funds, in addition to attitudes and themes that were relevant to coordination.

In the Nigerian context, donor coordination happens in many different forms throughout the process of aid delivery, including efforts to coordinate health aid and HIV/AIDS response-specific strategy documents, a large number of coordination groups with regular meetings, and efforts to change to earmarked multilateral giving in lieu of bilateral aid. Most often, GON and donor agencies are focused on coordinated processes (such as jointly developing strategies, policies, and frameworks), a "unified strategy" approach. Another common approach towards coordination is procedural (where donors come together with one another and other actors for regular updates), attempting a "data and information sharing" approach to coordination. In recent years, a number of donors like the United Kingdom have shifted the modality of their health or HIV aid from direct bilateral aid to earmarked multilateral aid with the explicit purpose

of coordinating their aid. Finally, there is a small amount financial coordination, where coordination where donor agencies jointly produce a program or pool funds to be spent by the government with donor oversight.

By the accounts of most interview respondents, neither HIV/AIDS assistance nor the health assistance coming into Nigeria is coordinated. This is not for lack of coordination efforts. Government, donor, and other stakeholder entities participate in myriad coordination forums and have are a part of more than one coordination agreement. In fact, throughout the course of Nigeria's HIV response, there has been a proliferation of coordination frameworks, bodies, and meetings – both for health sector broadly and HIV/AIDS specifically – that has eliminated efforts to work together and created an additional burden to donor agency and government representatives.

Interview respondents in Nigeria did not have a cohesive narrative about donor coordination. Every interviewee named multiple forms of coordination, and many expressed frustrations about the number of coordination meetings and time spent pursuing coordination. However, respondents, particularly on the donor side, voiced a general sense of “too much coordination, too little payoff” – the idea that there was an emphasis on quantity of coordination instead of quality of coordination. Furthermore, there are completely separate webs of coordination for the health sector and HIV/AIDS. Many donors were contributors for both general health and HIV, and consequently reported involvement in both sets of coordination. In this section, I highlight the key

forms of health and HIV coordination identified by interview respondents and in donor reports, providing details about their membership, purpose, and more.

## **5.2.1 Health Sector Coordination**

### **Coordination Strategy Documents and Frameworks**

From 2002-2007, the Nigerian health sector was in crisis response mode, coping with the massive detrimental health challenges that were the result of a long-standing military dictatorship. Consequently, the Federal government prioritized the development of the fragile Nigerian health care system, creating a health strategy and coordination document the Health Sector Reform Program, 2003-2007 (HSRP). The HSRP was followed by the National Strategic Health Investment Plan, 2007-2008 (NSHIP). NSHIP built on the more secure health system and attempted to connect Nigeria's national and donor health financing to global conversations, like the Millennium Development Goals (MDGs), donor coordination, aid efficiency, and measuring for results.

Since 2010, the main coordination documents in the health sector have been the National Strategic Health Development Plan (NSHDP) and an accompanying Plan Framework. NSHDP I (2010-2015) and NSHDP II (2018-2022) are overarching coordinating frameworks for health development in Nigeria, including leadership and governance for health, health service delivery, human resources for health, financing for health, national health management information system, partnerships for health,

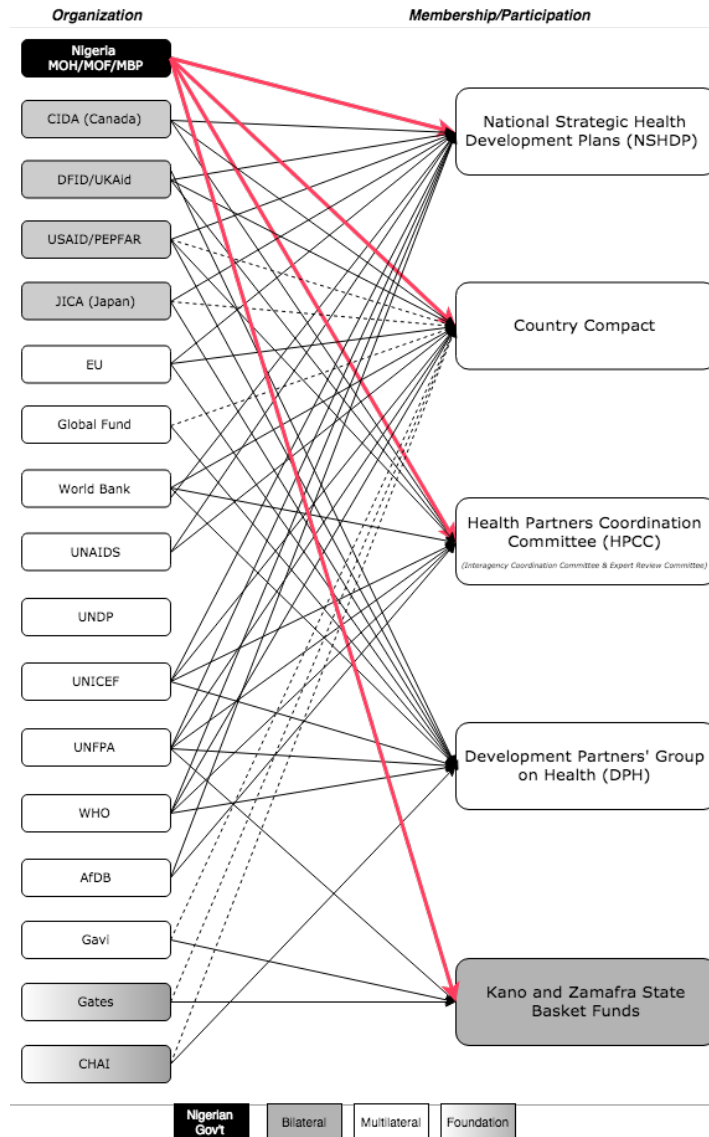


community participation and ownership, and research for health. These plans cover a wide breadth, attempting to align all actors on priority issues, key outcomes, financing, and governance – getting all actors on the same page and allocate roles and responsibilities.

Many stakeholders had input in NSHDP development, including multilaterals like WHO, UNICEF, UNFPA, UNAIDS, African Development Bank, the World Bank and bilaterals including CIDA, DFID, JICA, and USAID. After the Plan was validated by all stakeholders and approved by the National Assembly (Nigeria’s legislative branch) and the National Health Council (the highest decision-making body for health), all donors were encouraged to sign a Country Compact with the federal government.

The Nigeria Country Compact was a formal endorsement of the NSHDP, and an explicit agreement to implement and uphold donor coordination as outlined in the national health plan. The agreement also had a strong focus on sustainable and predictable financial support for health, and specifically sought to coordinate donors because of their significant financial and strategic impact on the health sector. In the end, the only bilateral that signed the country compact were Canada and United Kingdom, along with multilateral WHO, UNICEF, UNFPA, UNAIDS, the African development Bank, and the World Bank. Notably, some donors stopped short of signing the country compact – Japan’s JICA, and the US’s USAID did not sign the agreement, instead did

multilateral's Gavi and the Global Fund of sending statements or letters of support for the Nigeria in Country Compact.



Arrows → indicate membership or participation in coordination activity. Red arrows → indicate preferred coordination mechanism. Dotted arrows --→ indicate nominal support with refusal to sign binding statement.

**Figure 5.15. Map of Nigeria Health Sector Coordination**

The Nigerian government's coordination documents and frameworks are an important part of donor coordination in Nigeria according to interviewees, particularly those from the recipient government and multilateral organizations. In Figure 5.15, I show each of the major donors (and the Nigerian government) on the left, and the five largest health sector coordination mechanisms on the right. While almost every major health sector actor plays a part in the drafting process for these documents, the health sector coordination landscape is much more complex than just guiding documents. There are a plethora of bodies and meetings that coordinate the health sector that do not connect with coordination for HIV/AIDS.

### **Coordination Meetings and Bodies**

In Figure 5.15 I also show the Nigerian government attempts to coordinate donors through Ministry of Health's Health Partners Coordination Committee (HPCC) and the Interagency Coordinating Committee and Experts Review Committee, both of which provide donor support and oversight of large-scale government health initiatives.<sup>16</sup> Nigeria's health sector donors also formed their own Development Partners Group for Health (DPH) in which donors regularly meet to discuss their mandates, funding, and strategies in Nigeria. While there is no official roster of DPH membership, confirmed membership includes the bilaterals USAID, DFID, and JICA; multilaterals

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<sup>16</sup> [USAID/Nigeria Strategy 2010-2013 Report](#)

UNICEF, WHO, UNFPA, and the EU; and finally, private foundations AIDS Foundation and the Clinton Health Initiative. Donors in the Nigerian health sector are also involved in a number of technical working groups that work on very specific issues, such as the Primary Health Care Technical Working Group.

### **Coordinated Financing Agreements**

Coordinated financing arrangements tend to be the most rare and challenging, as donors relinquish unilateral control of what happens to their money. To that end, there is very little coordinated financing in Nigeria among multilateral donors, and virtually no coordination of funds by bilaterals. As I show in Figure 5.15, there are two small Pooled Funding Arrangements in Kano and Zamfara States, where most money for health is placed in a pool, and jointly managed by all funders. These “basket funds” have some international funds from UNFPA and Gavi in Zamfara State, and The Gates Foundation in Kano State, but donors have largely distanced themselves from this intensive level of coordination, and federal and state governments largely fund the baskets (Meghani et al. 2015).

### **Disease Specific Coordination Efforts**

Each coordination initiative outlined in Figure 5.15 are dedicated exclusively to general health sector coordination. However, even though the goal of coordination is to capture all actors work in a sector, there are many overlapping disease specific

coordination efforts dedicated to Nigeria's many health challenges. For example, as Nigeria is one of the last countries in the world where polio remains, there is at least one polio specific donor coordination effort. There are coordination bodies dedicated to Tuberculosis (TB), Maternal and Child health, rural health, primary health care, and health systems strengthening. However, financial resources for HIV/AIDS far outweigh those for any of these other health issues, and there are many coordination efforts dedicated specifically to the disease. The next section outlines donor coordination for HIV/AIDS specifically.

### **5.2.2 HIV/AIDS Donor Coordination**

By the time the largest global HIV/AIDS efforts began in the early to mid-2000s, Nigeria's HIV/AIDS epidemic was in crisis. Upon the return to democracy, a wellspring of aid began to flow into the country for many issues, including HIV/AIDS. In some years, Nigeria has had up to 18 bilateral and multilateral donor agencies sending aid in a single fiscal year. This money was largely unregulated by the Nigerian government for many years. The turn came when Nigeria's HIV incidence and prevalence rates began to fall from its highest incidence rate of 5.8% in 2003 to under 5% in 2004.

In 2004 the global community also agreed to the "Three Ones" principle: each country was to have one agreed HIV/AIDS action framework, providing the basis for coordinating all partners; one national AIDS coordinating multisectoral authority; and

one agreed country-level system for monitoring and evaluation (M&E). The Nigerian government and most development partners are vocal about their commitment to the Three Ones, and on paper, Nigeria's Three Ones exist: there has consistently been one agreed framework though the National HIV and AIDS Strategic Plans and Frameworks since 2001; National Agency for the Control of AIDS has been the national AIDS coordinating authority since 2004; and there has been one national M&E system through the National Response Management Information System (NNRIMS) was created in 2004.

However, while Nigeria and its donors coordinate using the Three Ones on paper, reality tells a different story, as is shown in the map of donor coordination efforts presented in Table 5.15 The "One M&E System" has failed to produce results, as a 2012 evaluation of NNRIMS found that the system "does not function at an optimum level due to several challenges, including a bewildering proliferation of vertical reporting systems" most of which are "donor driven and lack interoperability" (Ogungbemi et al. 2012).

The other Ones principles "One National Action Framework" and "One National AIDS Coordinating Agency" have also been a struggle for Nigeria to achieve, and there has been a proliferation of coordination strategies and mechanisms in the HIV response. Donors' strategic aims and efforts generally correlate with NACA on paper, but in reality, they often operate outside of NACA's strategic plans and oversight. Similarly, GON representatives are only included in of some of the regular coordination meetings

in Nigeria, which include the Global Fund Country Coordinating Mechanism, the Development Partners' Group, the UN Expanded Theme Groups, the Joint Assistance Strategy, and several Technical Working Groups, each of which is outlined in Figure 5.16.

### **Coordination Strategy Documents and Frameworks**

In addition to failing to execute the “One M&E System,” donors in Nigeria have failed to uphold the “One HIV/AIDS Action Framework.” The Nigerian government convenes donors and other stakeholders for variety of coordination activities, including strategic planning of the HIV/AIDS response. Since 2001, NACA has produced 4 to 6-year strategic HIV/AIDS frameworks in conjunction with development partners and other stakeholders. This began with the HIV/AIDS Emergency Action Plan 2001-2003 (HEAP), which was narrowly focused on kick starting the nation’s HIV/AIDS response for an epidemic that was in crisis. The current coordinating document is the National Strategic Plan (NSP), 2017-2021. The NSP, which is used to incorporate other relevant national goals – such as broader donor coordination concerns, gender and human rights, health systems and community systems strengthening, monitoring and evaluation and domestic governance ownership.<sup>17</sup>

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<sup>17</sup> Previously the HIV/AIDS Emergency Action Plan 2001- 2003 (extended through 2005), National Strategic Framework 2005-2009, the National HIV and AIDS Strategic Framework 2010-2015 and the National HIV and AIDS Strategic Plan 2010- 2015 (both extended through 2018)

These are the most important guiding documents through which all the actors of the HIV/AIDS response are supposed to guide their work. In reality, most bilateral and multilateral agencies use their own strategic documents as guidance. Donors' strategic planning documents often implicitly or explicitly incorporate the national plan, though the main focus is the agency's specific goals and impact. It is, perhaps, unsurprising that donors subscribe to the NSP, given that "Donors are intricately married in the process of developing the [NSP]."<sup>18</sup> There has never been a formal Country Compact that binds donors to keep this agreement. However, several donor agencies signed memorandums of understanding (MOU) affirming their commitment to Nigeria's HIV/AIDS response, including the US's PEPFAR, DFID, UNDP, UNAIDS, the EU, and the Clinton Foundation.<sup>19</sup>

### **Global Fund Country Coordinating Mechanism**

When the Global Fund began working in Nigeria in 2004, they required the formation of the Nigerian Country Coordinating Mechanism. The Global Fund is Nigeria's second largest HIV/AIDS donor, and it considers the CCM to be the primary vehicle for coordination in the country. CCM's exist in every Global Fund country to coordinate country funding proposals and broaden cooperation and participation in decision-making about funding, as I show in the funding map Figure 5.17. There are

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<sup>18</sup> Interview 55, 30 June 2016

<sup>19</sup> UNAIDS MOU in 2008, EU MOU in 2011, US MOUs in 2010 and 2018



variety of actors represented on Nigeria's CCM, including bilateral and multilateral donors, implementing and non-implementing NGOs, government agency representatives, and people living with HIV/AIDS.<sup>20</sup> In Nigeria, each group sends representatives to the CCM governance, and bilateral donors rotate two seats on the governing board. All of Nigeria's donors also provide funding to the Global Fund directly, so they have an interest in serving on this committee.

### **Development Partners Group on HIV/AIDS (DPG)**

Many interview respondents mentioned participation in the Development Partners' Group on HIV/AIDS (DPG). The United States – Nigeria's largest HIV/AIDS donor – considers the DPG to be the primary donor coordination body for multilateral and bilateral organizations and their implementing organizations providing HIV support, and often reports chairing the group in PEPFAR Nigeria's annual plan.<sup>21</sup> Bilateral members of the DPG include the Canada's CIDA, Japan's JICA, the UK's DFID, and the US's PEPFAR agencies, while multilateral members include the European Union, UNAIDS, UNFPA, UNDP, UNICEF, World Bank, and the World Health Organization.

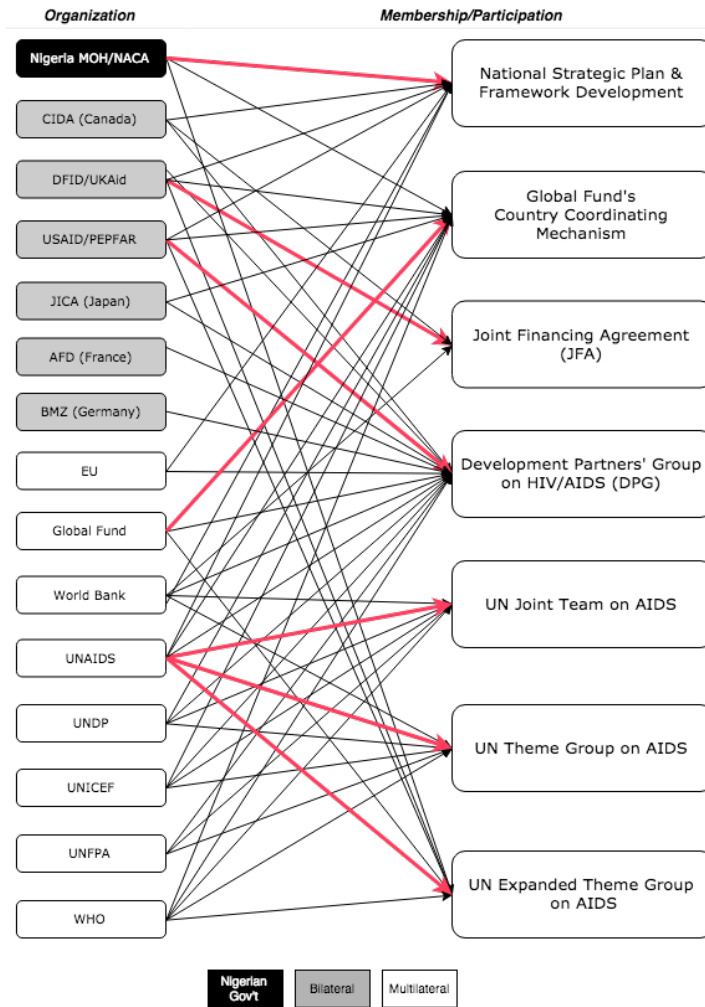
Almost every interview respondent in Nigeria referred to the group as a significant coordination mechanism. Though the DPG is active, it seems to serve an

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<sup>20</sup> Country Coordinating Mechanisms: Partnership and Leadership Report (2008)

<sup>21</sup> Department of State Cable 07ABUJA2546

ambiguous purpose. It is the largest gathering of all donors – bilateral and multilateral – yet when asked about commitment to coordination, one donor representative asserted that, “participants are not committed to the DPG because DPG does not have a specific work plan” (Uduji 2016, 74).



Arrows → indicate membership or participation in coordination activity. Red arrows → indicate preferred coordination mechanism. Does not include Technical Working Groups.

**Figure 5.16: Map of Nigeria Donor Agency Coordination – HIV/AIDS** <sup>22</sup>

<sup>22</sup> Drawn heavily from interviews and donor agency and recipient government documents.

## **UN Specific Coordination**

According to those in UNAIDS, their role is to bring all UN agencies together under at least three coordination groups with the explicit purpose of reducing the foreign aid transaction costs for the Nigerian government and other donor agencies.<sup>23</sup>

There are several branches of the UN family working on HIV/AIDS in Nigeria, including UNAIDS, the World Bank, UNICEF, UNFPA, UNDP, and the World Health Organization. Because each arm is working individually on different aspects of response, the work done under the broad UN umbrella can be quite disjointed. Consequently, these agencies come together coordinate their efforts in the Nigerian HIV/AIDS response.

The UN Joint Team on AIDS, UN Theme Group on AIDS, and the UN Expanded Theme Group on HIV/AIDS each serve a different purpose. The Joint Team in Nigeria, which is led by the UNAIDS Country Coordinator, is a technical and implementation focused coordination body made up of about fifty professional UN staff, and is meant to help different UN agencies coordinate and reach internal consensus on technical support issues.<sup>24</sup> The Theme Group is the policy and oversight body, and is made up of country heads of each UN agency and the UNAIDS Country Coordinator. Finally, the UN System attempts to coordinate their work with the broader Nigerian landscape by

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<sup>23</sup> Interview20, 1 July 2016

<sup>24</sup> Second Guidance Paper Joint UN programmes and teams on AIDS

involving GON and other donor agencies in the development of their country strategy, and through their Expanded Theme Group. There is no official list of Expanded Theme Group members, though DFID, PEPFAR, and the Global Fund are always represented.<sup>25</sup>

### **HIV/AIDS Technical Working Groups**

Another group of coordination forums in Nigeria are the thematic and technical working groups for HIV/AIDS (TWGs). Some of these groups are very prominent, and have significant sway over Nigeria's HIV planning. While most donors are represented on a number of these groups, there do not appear to be any set standards for membership, meeting schedules, reports, or mandates of a TWG. TWGs can serve many coordination purposes – a particular working group may spearhead the development process for a strategic document; others may have a standing evaluation, advocacy, information sharing, or support function. While there is no official record, the original compiled list of TWGs in Table 5.14 is more comprehensive than any available. As can be seen, they vary across many areas of the HIV/AIDS response. Depending on the issue area and donors' ongoing projects, the donors represented on a TWG vary.

**Table 5.14: HIV/AIDS Technical and Thematic Working Groups** <sup>26</sup>

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<sup>25</sup> Interview 20, 1 July 2016

Care and Support TWG	National Prevention TWG
Gender Technical Committee	National TB/HIV TWG
Gender, Advocacy and Policy TWG	Prevention Evaluation TWG
HIV Drug Resistance TWG	Prevention Technologies TWG
HIV Laboratory TTWG	Prevention of Mother-To-Child Transmission TWG
HIV Testing and Counseling TWG	Procurement and Supply Management TWG
Logistics TWG	Social and Behavior Change Communication TWG
Master Facility List TWG	Strategic Knowledge Management TWG
Monitoring and Evaluation TWG	Treatment TWG

### **Multilaterals**

Streamlining aid by using multilateral agencies is uncommon, but there are examples of this among Nigeria HIV donors. While many donors came in with individual bilateral or multilateral agency projects and initiatives, a wave of bilateral donors and foundations decided to channel their aid through one or more multilaterals working on HIV/AIDS in Nigeria. For example, from 2002-2009 the UK's DFID operated a £20 million program Strengthening Nigeria's Response to HIV/ AIDS in Nigeria. However, in 2009 DFID began to channel a substantial portion (but not all) of the UK's HIV support through the World Bank's Second Multi-Country HIV/AIDS Program, as shown in in Figure 5.17. The UK placed a senior HIV/AIDS specialist within the World

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<sup>26</sup> List compiled from various strategic documents, interviews, and group observation.

Bank Nigeria Mission to oversee both DFID and World Bank assistance. Despite this streamlining, the UK still maintained a sizable bilateral presence through a 2009-2016 program called Enhancing Nigeria's Response to HIV/AIDS, spending more than £110 million.<sup>27</sup>

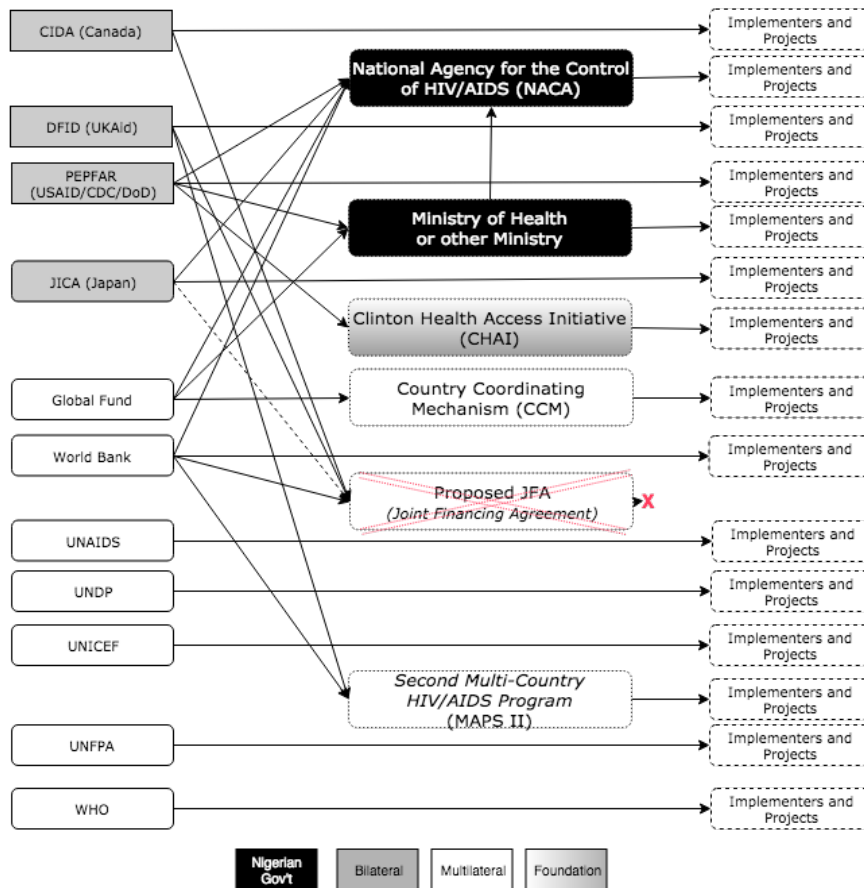
### **Coordinated Financing**

Coordinated financing arrangements are the least common forms of coordination in Nigeria, and there are virtually no examples of an agreement for financing the HIV response, as is evident in the map of donor financing in Figure 5.17. The most significant effort at coordinated financing was from 2006-2009, when DFID and the World Bank led an effort to secure a Joint Financing Agreement for HIV/AIDS. In 2005, a DFID Advisor who had been heavily involved in the implementation of a health sector-wide pooled funding process in Malawi came to Nigeria. This Advisor presented the idea of a Joint Financing Agreement (JFA) to fund NACA to the Development Partners Group in late 2006. While the JFA idea "was very quickly accepted" by DFID, CIDA and the World Bank, it was met with varying levels of interest from the rest of the DPG. These three donors pushed ahead with the JFA, and by February 2007 they proceeded to loop in NACA and draft concept and strategy documents. The Director General of NACA began a Task team and hired an experienced consultant to continue with the development of

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<sup>27</sup> Enhancing Nigeria's Response to HIV/AIDS Annual review (March 2015)

the JFA. By the end of 2008, NACA, a DFID led DPG chair, and the JFA Task Team had drafted a JFA agreement that was ready to sign.



This is not a complete picture of Nigeria’s aid for HIV, but it represents a large portion of funds for HIV/AIDS. The fewer arrows leading into the far right column, the more coordinated aid is. In a country with poor coordination, every donor (far left) might directly spend health and HIV/AIDS funds using their own projects and implementers (far right).

**Figure 5.17: Map of Nigeria HIV/AIDS Spending**<sup>28</sup>

<sup>28</sup> Drawn heavily from interviews and donor agency and recipient government documents.



Only the World Bank, CIDA and DFID formally agreed to sign the JFA, though they never did. Some donors were open to the possibility of coordinating their funds, such as JICA, which “committed to examining the possibility of joining the JFA.” The US explicitly refused to commit any funds to the JFA, as did the Global Fund and the Clinton Foundation. In the end, the JFA was never signed and put into action. Despite almost £450 thousand pounds spent by DFID on developing and drafting a JFA, and on influencing other actors to participate, the whole process fell apart.

### **5.2.3 Consequences of Coordination Challenges**

Nigeria’s health sector and HIV/AIDS response are inundated with coordination forums, meetings, documents, frameworks, and plans. As outlined in Table 5.15, HIV/AIDS donors in Nigeria have failed to truly subscribe to the Ones Principles, leaving a messy landscape of coordination. This summary list of Nigeria’s health and HIV specific coordination efforts is robust, but it is incomplete. There are even more coordination bodies, working groups, frameworks, strategies, and the like. Despite such a large number of coordination efforts, interview respondents were largely unsatisfied with donor coordination in Nigeria. The health and HIV sectors appeared to have a “quantity versus quality” problem: a proliferation of coordination activities paired with low levels of satisfaction with coordination outcomes. Various stakeholders have noted

the issues that arise from both too many coordination activities and too little coordination in Nigeria.

**Table 5.15: Three One’s Principles in Nigeria**

Principle	Execution on paper	Execution on the ground
One HIV/AIDS Action Framework	National HIV and AIDS Strategic Plan and Framework	Agencies’ Country Strategy Papers, Memorandums of Understanding
One National AIDS Coordinating Body	National Agency for the Control of HIV/AIDS (NACA)	UNAIDS Joint Expanded Theme Group, Global Fund CCM Development Partners’ Group
One Monitoring and Evaluation System	Nigeria National Response Management Information System (NNRIMS)	Donors’ separate M&E Systems

One major issue that GON representative lamented is that coordination failure makes it impossible to catalog the number of people receiving HIV services in Nigeria. For example, it was a challenge to count the number of orphans and vulnerable children benefiting from HIV services “because of an inadequate national response focus and the multitude of services provider organizations (and donors) using M&E systems and tools that are neither harmonized with nor aligned to the Nigeria National Reporting Information Management System, the one national M&E system.”<sup>29</sup>

Poor coordination in Nigeria led to a variety of frustrations on the part of GON representatives. The last strategic HIV/AIDS plan noted:

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<sup>29</sup> National HIV/AIDS Strategic 2011–2015 (p. 19)

There are challenges in terms of excessive fragmentation of donor activities, resulting in increased transaction costs, and donors' reporting practices to National Planning Commission that exclude NACA from the information sharing loop... Transparency issues on donor/national institutions generate mutual distrust and constrain viable collaboration.<sup>30</sup>

A NACA representative echoed this frustration, commenting “As a national body, we are the ones who keep the country focus on HIV. When donors are willing, we can work well - but we’ve had challenges with donors coming in without regard for us.”<sup>31</sup>

While recipient frustration is problematic, various interviewees and strategic reports noted that poor coordination also has real, life and death consequences. When asked to provide a specific example of when poor coordination led to problems, a NACA representative said:

Everyone does what they want to do when there is no coordination. There can be gaps in funding. You have something and you’re giving more to a place that already has and nothing to places that don’t have and people don’t get their drugs. When there is adequate coordination, you know, there can be adequate resources. They could come together to talk about distribution. When there is a gap, they can quickly get filled. Not hoarding products and commodities.<sup>32</sup>

The same sentiment was reflected in the previous strategic HIV/AIDS plan; “For the most part, the deluge of donor initiatives has not guaranteed continuous commodity financing. Furthermore, differences in funding cycles of key development partners seldom translate to long-term commodity security. Presently, diverse and often disparate

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<sup>30</sup> Nigeria National Strategic Plan 2011–2015 (p 23)

<sup>31</sup> Interview 38, 12 July 2016

<sup>32</sup> Interview 53, 12 July 2016

programs across the country have generated fragmented and unsustainable parallel logistics systems.”<sup>33</sup>

It is not solely GON representatives that are frustrated with coordination in Nigeria. A DFID Nigeria staff member complained about the volume of coordination meetings, saying: “there is no resolution to things, even though there is no shortage of coordination mechanisms.”<sup>34</sup> Similarly, a review of activities in Nigeria found that for Global Fund, World Bank, and PEPFAR staff respectively, “All three partners noted that as Fund Portfolio Managers, Task Team Leaders, and Mission Staff are asked to do more coordination, their workloads increase.”<sup>35</sup>

### ***5.3 Constrained Coordination: Explaining Nigeria’s Coordination Challenges***

What accounts for such poor coordination outcomes in Nigeria? My Constrained Coordination argument predicts that high priority recipients – countries in which donor governments have strong non-development interests – are likely to have the least amount of successful coordination. Literature on donor-recipient relationships has shown a variety of components that are of strategic importance to donors, including trade volumes, colonial ties, domestic or regional insecurity and terrorism, ally status, cultural proximity, population, and migration patterns (Alesina and Dollar 2000; Bearce

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<sup>33</sup> Nigeria National Strategic Plan 2011–2015 (p 55)

<sup>34</sup> Interview 57, 26 July 2016

<sup>35</sup> Joint Coordination Meeting on HIV/AIDS (January 2006), Washington DC, USA (Page 10)

and Tirone 2010; S. B. Bermeo and Leblang 2015; Bueno De Mesquita and Smith 2009; Fleck and Kilby 2010; Steinwand 2011b, 2015). By many of these standards, Nigeria is a high priority country to many rich country donor governments, and I explore this in the next section.

### **5.3.1 Nigeria as a High Priority Country**

Upon comparison with the theoretically motivated list of strategic interests, it is clear that Nigeria is a priority country for many OECD-DAC donors. I outline the key characteristics in Table 5.16. Nigeria gained its independence from the United Kingdom in 1960, but retains ties to the UK as a Commonwealth member. Historically, Nigeria has been a Western friendly nation, and it was aligned with the West during the Cold War. After independence, Nigeria entered a cycle of military and civilian rule until returning to civilian rule in 1999. Since then, the nation returned to relatively stable and peaceful democratic rule as a federal republic. Nigeria is a member of key regional organizations, and often serves as a leader. Nigeria provides peacekeepers for international and regional conflicts, and is a founding member of the Economic Community of West African States (ECOWAS), which is headquartered in Abuja, Nigeria's capital. The Nation's role as a key political center makes it a focus country for donors interested in West Africa. As one World Bank report put it, "Nigeria is a dominant economic and

financial force across West Africa, and its success will impact the entire Sub-Saharan region.”<sup>36</sup>

**Table 5.16: Nigeria as a High Priority Country**

Colonial History (Independence)	United Kingdom (Commonwealth Member) (1960)
Population (2016) <sup>37</sup> (2050)	186 Million (411 Million, 5 <sup>th</sup> )
Regional Membership/Leader	ECOWAS/Yes
Economy: GDP per Capita (PPP, 2016) <sup>38</sup>	US\$6200
Global Trade	Crude Petroleum (\$27.1B) Petroleum Gas (\$5.36B)
Migration	Significant emigration regionally and to the West
Security	Terrorism: Boko Haram (Spreading Regionally) Nigerian military human rights violations Major money laundering center Hub for heroin and cocaine bound for European, East Asian, and North American markets Major source, transit, and destination country for forced labor and sex trafficking.
Priority Level	High

Often called “the Giant of Africa,” Nigeria has one of the 25 largest economies in the world, and it is the 7<sup>th</sup> most populous country in the world. Nigeria has large swaths of income from mining and exporting oil. Today, despite its status as one of the ten

<sup>36</sup> [Country Partnership Strategy 2014-2017](#)

<sup>37</sup> [UNFPA World Population Prospects](#)

<sup>38</sup> Forecasts from [Pardee Center for International Futures](#)

largest oil exporters in the world, Nigeria's GDP is falling largely due to a decline in crude oil prices. Nevertheless, with a large and growing population – and a burgeoning middle class – the country presents a significant economic draw for donor governments and private sector investors from rich and middle-income countries. For the last 10 years, Nigeria's economic growth has been driven by growth in agriculture, telecommunications, and services – and this growth has drawn foreign investment from around the world.

In addition to political and economic interests, there are significant security concerns surrounding Nigeria. The country has long been a hub for illicit activity – including arms, drugs, and human trafficking.<sup>39</sup> The long run independence struggle of the southern Biafra region people has caused domestic civil war in the past, and skirmishes continue to this day. Growing concerns about Islamic extremism and ties to global terror regimes in the northern part of the country have garnered serious scrutiny by donor governments. Terrorist activity by the Islamic State in West Africa (commonly known as Boko Haram) has increased steadily in the last five years as international terror groups – the Islamic State in particular – increasingly associate with local

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<sup>39</sup> <https://www.state.gov/j/inl/rls/rm/2017/270858.htm> ;  
[https://www.unodc.org/documents/nigeria/publications/Drugs\\_Project\\_Brief5.pdf](https://www.unodc.org/documents/nigeria/publications/Drugs_Project_Brief5.pdf) ;  
<https://www.occrp.org/en/daily/6645-italian-police-mafia-and-nigerian-vikings-gang-collaborating-in-palermo>

militants.<sup>40</sup> Boko Haram and Biafra represent significant concerns with the potential to destabilize the region (already spread to Chad, Benin, Niger, and Cameroon). As part of the quest to curb Boko Haram, there have been significant human rights violations by the Nigerian military towards its own people, further drawing international scrutiny.<sup>41</sup> Governments in rich countries are certainly taking note, and military and humanitarian aid to the northern region of the country is on the rise.

These security conditions, in addition to lacking economic opportunity, have generated a large and steady flow of legal and illegal Nigerian refugees and immigrants to donor countries, neighboring countries, and other low and middle-income countries that have educational and economic opportunity.<sup>42,43</sup> There are more than two hundred thousand Nigerian born people in the United Kingdom and almost four hundred thousand Nigerians in the United States. In total, over a million Nigerian emigrants reside across Europe, the Americas, and Asia. Illegal immigration is also a big issue for donors. For example, more than thirty-seven thousand illegal Nigerian migrants arrived in Italy by sea in 2016 alone.<sup>44</sup>

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<sup>40</sup> <http://www.bbc.com/news/world-africa-32435614>

<sup>41</sup> <http://www.bbc.com/news/world-africa-38730741>

<sup>42</sup> <http://www.pewresearch.org/fact-tank/2017/02/14/african-immigrant-population-in-u-s-steadily-climbs/>

<sup>43</sup> <https://www.migrationpolicy.org/article/nigeria-multiple-forms-mobility-africas-demographic-giant> ; <https://reliefweb.int/report/nigeria/migration-nigeria-country-profile-2009>

<sup>44</sup> [European Asylum Support Office 2017 report](#)



Given all of these characteristics, Nigeria is a priority country for aid donors globally or regionally by almost every measure of strategic prioritization that has been used in the literature on foreign aid. Consequently, donor governments have many concerns in Nigeria aside from the purely humanitarian and health challenges that Nigeria presents. The Constrained Coordination framework predicts that Nigeria is an aid receiving country that is poorly suited for coordination efforts by donors. Indeed, despite a plethora of coordination options, respondents showed great frustration with many of the coordination processes they were involved in, and some were even skeptical about what they had achieved through coordination. However, as the Constrained Coordination argument would also predict, there were cross-agency differences in commitment to coordination.

### **5.3.2 Donor Political and Economic Interests**

Respondents often felt uncomfortable discussing political and economic interests and their effect on aid. However, some respondents from bilateral agencies commented on the impact of other bilateral governments' political or economic interests. Those in multilateral agencies and the Nigerian government were judicious, but they were also more likely to comment on the non-development interests of bilaterals. To that end, a UNAIDS official commented that:

Interests of countries and individual interests are a challenge for coordination. Sometimes the little going personal relationships get in the way. And also

material things. A lot of these things are driving the same problems. People are afraid, and they want to be friends with the Minister of Health, you know? With the government. Development partners want people to report that they are good.<sup>45</sup>

What this respondent is communicated is that some aid agencies avoid coordination efforts around more challenging issues – like key populations issues - as they fear the larger repercussions, material of getting of getting on the Nigerian government’s bad side both personally, and for their government’s economic interests. This fear of negative reports was a recurring theme. A MOH official also noted that bilaterals like to maintain a good relationship with government because “[p]eople can be chased out [of the country], especially bilateral people, based on politics and what they believe.”<sup>46</sup>

Another recurring theme was that donor agencies had to be careful to maintain good relationship with the Nigerian government. While there were few direct comments citing strategic political and economic interests as the central problem preventing coordination, respondents’ comments make it clear that favor with the Nigerian government was important to strategic-minded donors. Consequently, their interests also affect the types of projects that donors select, indirectly affecting coordination prospects. A UNAIDS official recounted that this is a hallmark problem for bilateral donor agencies – the US in particular – when working in Nigeria, observing:

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<sup>45</sup> Interview 20, 1 July 2016

<sup>46</sup> Interview 49, 12 July 2016

It can affect the way an organization enters the country, and the kinds of projects they are interested in funding. Religion can play a role, and the US is the most common here for family planning. And so UNFPA is not popular in Nigeria because it often controls all of the family planning aid, since [bilaterals] won't do it. They don't work with us here"<sup>47</sup>

A UNFPA representative echoed these sentiments – “There are issues which the government can't touch, and sometimes that means that bilateral donors can't touch them either. MSM, sex workers, people who inject drugs, these kinds of sensitive issues are sometimes left to the multilaterals.”<sup>48</sup> Again, this respondent was arguing that some donors – particularly bilateral donors – chose not to coordinate on issues that the Nigerian government found unpalatable. But a US CDC official felt that while this problem exists, it is actually an issue for multilaterals as well, saying, “GFATM gave grants to migrant workers that they think are a high risk group, but they do not want to think about MSM,”<sup>49</sup> the implication here being that MSM is a risky group to engage with because of the Nigerian government, so some donors refuse to coordinate on these types of projects in order to remain in good graces. This failure to coordinate on tough issues likely has important implications, as prevalence among the MSM key population is estimated to be upwards of 25%.

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<sup>47</sup> Interview 20, 1 July 2016

<sup>48</sup> Interview 50, 20 April 2017

<sup>49</sup> Interview 52, 21 April 2017

The general sense is that coordination in Nigeria is not as successful as it should be, and respondents assigned culpability to different groups. Sometimes the country context received the blame, claiming that Nigeria is a particularly challenging country, or that GON fails to lead donors. A DFID report offered one of these arguments, noting how “Harmonisation and alignment possibilities were constrained by specific difficulties around the complexity of Nigeria as a country. The difficulties most commonly reported were: large size of the country and of its population, the decentralized nature of the Nigerian administration system, and the thin capacities of some technical services” (Clarke et al. 2009). Along the same lines, a USAID interview respondent stated, “Coordination is horrible in Nigeria because the government is not strong. The new Minister for Health is trying... how to prioritize is the problem.”<sup>50</sup>

Nevertheless, respondents from Nigerian institutions and various aid agencies displayed a firm commitment to the practice of coordination on sheer principle. A Global Fund representative working to Nigeria was a prime example of this, commenting: “Coordination is good and important, and it’s important to show that your adding value to what you’re doing. Coordination means that you have to be

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<sup>50</sup> Interview 35, 11 July, 2016

straightforward. No games.”<sup>51</sup> A UNAIDS official showed a similar commitment to coordination – “Results are what matter. Our work is to show the coordination works.”<sup>52</sup>

Even with a commitment to coordination activities, there are differences between how agencies approached and engaged in coordination. Though they participated on almost every health and HIV/AIDS coordination forum, the United States, Japan, and the Global Fund held back from coordination most often. None of these donors signed significant coordination accords like the Country Compact, and they explicitly refused to consider joining the Joint Financing Agreement for HIV/AIDS. DFID, on the other hand, was mixed with regards to coordination. DFID signed the Country Compact, streamlined large chunks of their aid through multilaterals on occasion, and was the central force promoting the Joint Financing Agreement but for many years, also keeping a sizable bilateral HIV/AIDS program. Finally, the UNAIDS and other agencies were highly committed to donor coordination, participating, signing, and contributing when possible. What can explain the differences in how Nigeria’s HIV/AIDS donors approached coordination? Interview respondents highlighted donor agencies’ bureaucratic issues and conflicting interests as two dimensions that differentiate donors’ ability or willingness to coordinate.

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<sup>51</sup> Interview 54, 17 August 2016

<sup>52</sup> Interview 52, 21 April 2017

### 5.3.3 Autonomy and Other Bureaucratic Issues

The patterns of coordination efforts largely corresponded with their autonomy. Low autonomy bilateral agencies from the US and Japan that are widely known for their emphasis on strategic aims of their aid were the least likely to engage in coordination like the Country Compact for Health. On the other hand, donor agencies with higher levels of autonomy like DFID and the now defunct CIDA, engaged in more coordination. These agencies even pushed for intense forms of coordination like the Joint Financing Agreement for HIV/AIDS.

Bureaucratic issues played a role in more than one way. One US Department of State official lamented that coordination is a challenge because “Nigeria is a difficult country. And the more difficult the country, the more people leave. It gets hard to find people to take the lead.” However, even accounting for Nigeria’s development challenges, the most consistent recurring theme from interview respondents and donor agency documents is that aid workers are largely enthusiastic, and want to coordinate for mutual benefit.<sup>53</sup> This insight aligns with the literature on foreign aid workers, which has found the same enthusiasm. For example, a Global Fund representative noted,

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<sup>53</sup> Interviews 54, 20, 35

“There is a real sincerity by all stakeholders to fight HIV together. They bring a lot to the table, and really believe in 90-90-90.”<sup>54, 55</sup>

Despite this commitment to working together, those working in some donor agencies are deeply conscious of oversight, which may hold them back from coordination. A UNAIDS noted that this is a big problem for bilateral agencies - “Some organizations are really weak, and partnering can be a challenge. They don’t want their staff to be looked at that way, but they’re afraid of the oversight.”<sup>56</sup>

Another insight related to bureaucracy is that aid workers who might want to coordinate are often constrained by the lengthy and challenging process of getting approval from headquarters. Funding is planned far in advance, rendering on-the-ground changes based on regular interaction with other donors or GON representatives incredibly challenging. As a NACA official commented, “It can take a while to do things together. It takes time for them to get approval. We see it – you know – we can make sense of it. They can’t just do what they want, what they think is best.” A US Department of State official noted that the complexity of UNAIDS made them a

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<sup>54</sup> Interview 54, 17 August 2016

<sup>55</sup> 90-90-90 refers to the global HIV targets - By 2020, 90% of all people living with HIV will know their HIV status, 90% of all people with diagnosed HIV infection will receive sustained treatment, and 90% of all people receiving antiretroviral therapy will have viral suppression (i.e., no longer transmitting the disease).

<sup>56</sup> Interview 20, 1 July 2016

challenge to work with at times: “The UN System is hard. They are notorious for being cumbersome and slow.”<sup>57</sup>

Respondents also noted that other donors’ different approaches to funding HIV made coordination challenging. A US CDC commented that the benefits of coordination were not always palatable to the US, arguing, “PEPFAR has always been more data driven than other bilateral programs.” A US Centers for Disease Control official lamented the challenge of working with UN agencies, who often have very little funding and inadequate staff: “WHO and UNAIDS have struggled. They have a huge mandate but few resources. They like to say ‘we’re in charge,’ but they have no technical expertise.”<sup>58</sup> A UN Official also felt that the multi-disease approach of the Global Fund hindered coordination, “Because malaria is included, it becomes hard. We can help them with oversight... really what we can do is limited.”<sup>59</sup>

It is clear that bureaucracy plays a role in donor agencies’ ability and willingness to coordinate with one another. Coordination can prove to be challenging simply due to administrative blocks that occur in country – when agencies have to ask permission from headquarters or balance other disease efforts, it can be a real challenge to find ways to work together. Furthermore, in a challenging country like Nigeria, staff retention can

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<sup>57</sup> Interview 39, 11 July, 2016

<sup>58</sup> Interview 36, 11 July, 2016

<sup>59</sup> Interview 20, 1 July 2016



be difficult. Issues like these make the coordination process more lengthy and burdensome for aid agency staff.

## **5.4 Conclusion**

This chapter has provided qualitative evidence demonstrated that poor donor coordination for health and HIV/AIDS in Nigeria is a result of bureaucratic roadblocks and donor government interests. These findings are consistent with the Constrained Coordination theoretical framework. In this chapter, I used analysis of secondary documents and interviews with key stakeholders as evidence to show that while there are many activities that have been termed “coordination,” there is very little value-adding coordination in Nigeria.

Nigeria is has received billions of dollars in foreign assistance in for health and HIV/AIDS, and there are many actors on the ground attempting to do good using this money. Nigeria’s Ministry of Health and the National Agency for the Control of HIV/AIDS are hailed internationally as receiving more domestic financial and political support for the HIV response than most. However, these recipient government agencies are tasked with giant sums of aid, donors operating outside of the government infrastructure, multiple monitoring and evaluation systems, silos of poor data, and more. Over the years, as Nigeria’s health system, HIV/AIDS response, and donor community have matured, the explosion of coordination activity – the coordination

meetings, committees, working groups, agreements, contracts, plans, and frameworks – makes it clear that traditional, OECD donors to Nigeria believe coordination is important.

However, as the rest of the case demonstrated, the plethora of coordination efforts by donors and the Nigerian government have not led to more coordinated aid delivery or better outcomes, per se. Instead, Nigeria is left with a persistently fragmented HIV response that has produced even more administrative burden and even less clarity, frustrating donors and government officials alike. Furthermore, Nigeria's coordination failure has had real consequences - funding gaps, uneven coverage nationwide, and unstable supply of life-saving drug treatments.

Focusing on the Nigeria case can help us understand that in a high priority recipient country – that is, aid recipients that are of high political, economic, and security interests to donors – donor coordination likely faces substantial roadblocks.

Additionally, United States' PEPFAR, the Global Fund, and Japan's JICA – some of Nigeria's largest health donors – were very resistant to work with other donors on intensive, despite long-run efforts by United Kingdom's DFID and CIDA (Canada's former aid agency) to engage them. This finding is also consistent with Constrained Coordination argument, as the US agencies and JICA have fairly inflexible bureaucratic structures when compared to DFID and CIDA. Did these aid agencies fall into these roles solely because of their inherent, bureaucratic qualities? Constrained Coordination

would predict that though bureaucratic structure is very important, aid agencies will behave differently in a low priority recipient country because there is less oversight, leaving workers with more autonomy to coordinate with other aid agencies. The next chapter examines this directly, by applying the same analysis to Zambia, a low priority aid recipient.

## 6. Donor Coordination for Health and HIV/AIDS in Zambia

### “Highly Harmonized” Donor Coordination in a Low Priority Country

We’re not going to get to sustainability without coordination. [It] leads to efficiency, and helps us lead to transition. In the end, if we keep doing our own thing, it’s bad for the country. Lack of coordination takes away from their ability to do their own system... It’s easier to do your own thing, but it doesn’t lead to sustained ability.<sup>1</sup>

- US PEPFAR Respondent

In the last chapter, I presented the case of Nigeria and demonstrated how a country that is of high strategic priority to donors may be a poor setting for successful donor coordination. The Nigeria case also highlighted the importance of agency autonomy, showing that low autonomy aid agencies like the United States and Japan are highly resistant to coordination efforts. In this chapter I present the Zambian case study. Aid agencies in Zambia have one of the strongest pro-coordination cultures among any nation that receives significant amounts of aid for HIV/AIDS.

How do the aid agencies of Zambia maintain successful coordination? Zambia’s status as a low priority country for many donor governments allows agencies a lot of flexibility to engage each other in coordination. Furthermore, Zambia had a few small but highly committed donor agencies that were very active in pushing for coordination, in particular Sweden’s Sida – which is highly autonomous and in favor of coordination.

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<sup>1</sup> Interview 12, 20 April 2017

This reality allowed for the creation of a basket fund – a pooled fund of donor money and one of the most difficult forms of coordination – to operate in the health sector in Zambia before the 2009 corruption scandal, and the rekindling of coordination activity after the effects of the scandal died down.

The chapter proceeds as follows. In the first section I introduce the empirical focus for the chapter – aid for health and HIV/AIDS in Zambia. The second section lays out the case of donor coordination, woven together using the insights provided by interview respondents and primary and secondary documents. For almost fifteen years, foreign aid donors in Zambia gave a significant portion of their health and HIV aid through a Ministry of Health pooled “basket fund,” one of the strongest coordination mechanisms that exists. A corruption scandal in 2009 redefined the contemporary landscape of coordination in health broadly, and HIV/AIDS specifically. Despite the fallout from this event, development agencies in Zambia have rebuilt a strong network of coordination.

Section 3 addresses the central claims of the chapter – that strategic interests and aid agency autonomy shape donor coordination in Zambia. Utilizing qualitative evidence from primary and secondary documents and from interviews with donor government officials, recipient government officials, multilateral organization representatives, and civil society organization representatives in Zambia’s health and

HIV/AIDS sectors, I find that donors in Zambia have – in their own words – found a way to coordinate successfully. Section 4 concludes.

## **6.1 Health and HIV/AIDS in Zambia**

### **6.1.1 Aid in Zambia's Health Sector**

In Zambia, the government is responsible for policy setting and regulation of the health system. In addition to providing healthcare directly, the Government of Zambia (GRZ) sets policy for its health care system by using a five-year national policy strategy known as the National Health Strategic Plan. This is formulated in collaboration with donors and other stakeholders, and all actors have committed to adhere to the outlined priorities. It may seem strange that donors, being foreign bureaucrats, are involved in the formulation of Zambia's health policy. But donors play a large role in the national health system. In Zambia there are many different donors – bilateral donors, multilateral donors and global health initiatives – in the health sector.

Zambia's main bilateral donors are DFID from the UK, the Swedish International Development Cooperation Agency (Sida), the Canadian Development Agency (CIDA), the US Government, the Netherlands (RNE), and the Japanese International Cooperation (JICA). Multilateral agencies providing support include the European Union, the World Bank, the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA), and WHO. Large global health initiatives represented in the Zambian health sector are the Global Fund to Fight AIDS, Tuberculosis and Malaria

(Global Fund or GFATM), The US President's Emergency Plan for AIDS Relief (PEPFAR), and Gavi, the Vaccine Alliance.

The Zambian health sector is highly dependent on foreign aid. The main financial contributions come from the public sector (58%), development partners (34%) and households (28%). Total health expenditure in Zambia is estimated at US\$ 98 per capita (Health Policy Project, 2016). However, government expenditure health care only accounts for US\$ 54 per capita. The biggest donors in the health sector include: the US Government, the UK, Sweden, Netherlands, the European Community and the World Bank. Moreover, it is important to note that the US Government is the dominant donor, contributing more than half of the donor resources to the health sector.

### **6.1.2 Aid in Zambia's HIV/AIDS Response**

Zambia has the 7<sup>th</sup> highest HIV/AIDS burden in the world with a disease prevalence rate of 12.6%. There are about 1.2 million people living with HIV/AIDS in the country, though an estimated 65% have access to antiretroviral therapy and 58% have suppressed viral loads.<sup>2</sup> Since 2010, new HIV infections have decreased by 27% and AIDS-related deaths have decreased by 11%. Donors are particularly interested in

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<sup>2</sup> Viral suppression describes when antiretroviral therapy (ART) reduces a person's viral load (HIV RNA) to an undetectable level. A virally suppressed person is not cured; HIV still remains in the body. This preserves the health of the person living with HIV, but also prevents sexual transmission of the virus to an HIV-negative partner. If ART is discontinued, the person's viral load will likely return to a detectable level.

addressing the needs of some key populations of including sex workers and prisoners, group with HIV prevalence of 56% and 27% respectively.

HIV/AIDS governance in Zambia comes mainly through the National HIV/AIDS Council (NAC), which was established by an Act of Parliament in 2002. NAC is housed under the Ministry of Health, and it was created because there was no national body to coordinate donors, civil society, and government institutions' efforts to fight HIV/AIDS. The Council is responsible for creating a National HIV/AIDS Strategic Framework (NASF) along with the sector stakeholders including donor agencies, civil society, and other Ministry representatives. The main goals of the Framework are to provide an overall strategy for the planning, coordination and implementation of the HIV/AIDS response based on available evidence, and to articulate national priorities, expected outcomes and targets that all stakeholders should work towards, based on their respective mandates, resources and comparative advantage. In theory, this is a government-driven plan, but in practice donors have a large say in the development of the Zambia's HIV/AIDS plan.<sup>3</sup>

Donors' involvement in the formation of the NASF makes is essential, as Zambia's HIV/AIDS response is very dependent on foreign aid. As noted above, about

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<sup>3</sup> Zambia's National HIV/AIDS Strategic Framework, 2017-2021



one third total health budget comes from foreign assistance.<sup>4</sup> However, 93% of Zambia's US\$283 million HIV/AIDS budget came from foreign assistance in 2012.<sup>5</sup> Given Zambia's dependence on international funds for its HIV response and the large number of donors, there is significant risk of administrative burden due to donor activity. Conversely, donor coordination has the potential to streamline aid agency activity in the country. The next section outlines aid coordination in Zambia.

## **6.2 Donor Coordination in Zambia**

### **Overview and Methods**

Donor coordination in Zambia involves a complex web of actors and activities. In order to build a narrative of coordination, I used evidence from 35 in-depth interviews and secondary documents. The interviews were with key actors in the delivery of aid for HIV/AIDS, the health sector, and foreign assistance networks. Interviews were conducted via telephone from the United States, or in person in Lusaka, Zambia or Johannesburg, South Africa. In Zambia I sampled using a snowball method of introductions and cold calls around Lusaka. In South Africa, I sampled using a snowball method of introductions at the 2017 U.S. President's Emergency Plan for AIDS Relief (PEPFAR) Country Operational Planning (COP) conference. Using respondents'

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<sup>4</sup> A 2015 World Bank and Zambia National AIDS Council Report noted that 32.3% of health spending came from development assistance.

<sup>5</sup> Statistics drawn from UNAIDS' "Zambia's National AIDS Spending Assessment." (2014) and UNAIDS "DATA 2017" Report (2017)

narrative as a guide, I pieced together the timeline of donor coordination in Zambia. I used qualitative data software NVivo to code important themes relevant to coordination. Additional information about the data collection, interview process, and data analysis can be found in Chapter 2 and Appendix I.

### **6.2.1 1993-2009: High Levels of Coordination in Zambia**

From 1993 until 2009, the health sector in Zambia used a Sector Wide Approach (SWAp) as an umbrella for the coordination of aid to the health sector. The SWAp was a formal structure for coordination of health-sector aid involving the Zambian Ministry of Health and donors (Sundewall et al. 2010). Not all donors contributed their aid money to basket funds – or the joint pool of funds – but, as shown in Table 6.17 most donors were active members of the SWAp institutional framework which provided for common systems for planning, reporting, disbursements, accounting, auditing, and procurement (Chansa 2006).

**Table 6.17: Zambia Sector-Wide Approach Membership: 1993-2009**

General Membership	Basket Fund Contributing Members
Development Cooperation Ireland	Canadian International Development Agency
US Agency for International Development/PEPFAR	Danish International Development Agency
World Bank	European Union
United Nations Population Fund	Royal Netherlands Government
World Food Programme	Swedish International Development Cooperation Agency
World Health Organization	UK Department for International Development
	UNICEF
	Ireland

There is no definitive list of Zambia SWAp participants. List was compiled from multiple sources.<sup>6</sup> Donors that are General Members were a part of planning and reporting, but did not relinquish their funds to the pool.

The SWAp was implemented despite deep skepticism from some donors because under the SWAp basket fund system donors funds were given directly to the Government of Zambia (Chansa et al. 2008; Sundewall 2009). The general flow of funds during the existence of the SWAp can be seen in Figure 6.18. The pooled basket funds

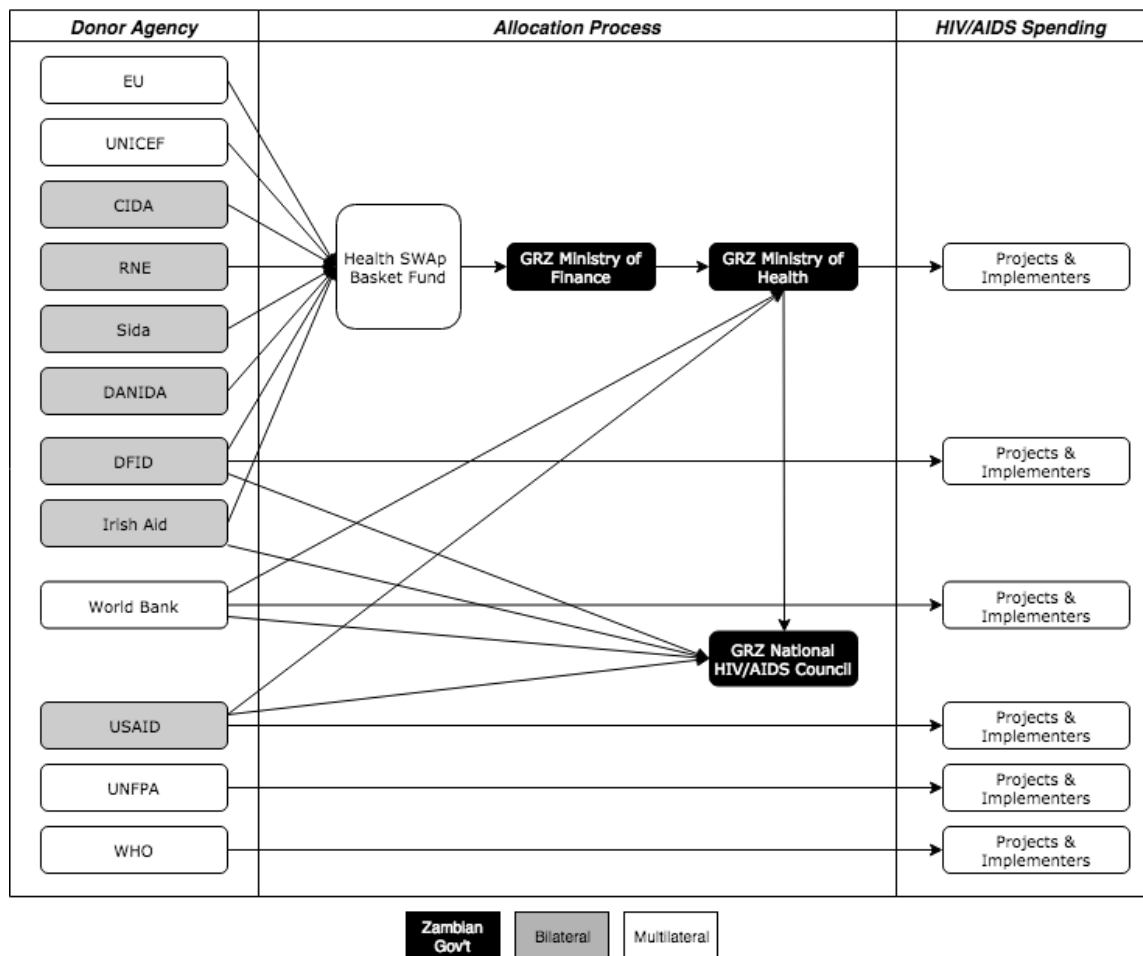
<sup>6</sup> Sources include, but are not limited to Chansa et al. (2008), Hooper et al. (2008), Sundewall (2009), and Usher (2015), internal documents from [Canada](#), Wikileaks USDOS Cables [09LUSAKA367](#) and [09STOCKHOLM660](#)

was in the form of general budget support given to the Ministry of Finance which was then passed along to the Ministry of Health, or by directly funding the Ministry of Health (Chansa 2006; Chansa et al. 2008; Sundewall 2009). Most non-Basket Fund donors (and most basket funders) provided aid through project aid.<sup>7</sup> Project aid was distributed independently of government mechanisms, normally directly from the donor to their NGO implementing organizations or the NAC.<sup>8</sup> Consequently, while many aid agencies were involved in the sector-wide approach in some form, most continued to provide aid in uncoordinated ways as well.

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<sup>7</sup> PEPFAR Zambia Country Operational Plan Fiscal Year 2010

<sup>8</sup> Denmark, the Netherlands, Ireland, UK (DFID), PEPFAR, Sweden, and Norway fund the NAC directly, in addition to other project types.



While this is not a complete picture of Zambia’s aid for HIV, it represents a large portion of funds for HIV/AIDS. The fewer arrows leading into the far right column, the more coordinated aid is. In a country with poor coordination, every donor (far left column) might directly spend health and HIV/AIDS funds using their own projects and implementers (far right column).

**Figure 6.18: HIV/AIDS Funding Under SWAp (1993-2009)**

Regardless of whether they provided aid through the basket fund or not, all donors for HIV-AIDS participated in a variety of coordination working group meetings. Donors rotated two leadership positions on the Zambian Country Coordinating Mechanism (the mandatory Global Fund grant allocating and oversight group). Most

donors also participated in the UNAIDS Expanded Theme Group, and the GRZ partnership forum.

Coordination between donor agencies and GRZ was highly institutionalized and active, but it was not without its challenges. A DFID report noted that “not all donors are comfortable with all aspects of the harmonization approach and the US and Japan, in particular, are major funders who retain standalone projects as their main form of assistance.” DFID itself would not completely commit to pooled funding, stating that maintaining direct project funding “made the best of DFID’s comparative advantage in providing flexible funding.”<sup>9</sup> Japanese documentation also reflected the desire to maintain flexibility: “Japan places more importance on responding to development issues and needs in Zambia with flexibility.”<sup>10</sup>

Despite these challenges, documentation from aid agencies on the ground shows that donors had a positive view of coordination efforts in Zambia. For example, in the fiscal year 2009 Country Operational Plan, Zambian PEPFAR staff notes that “the GRZ and cooperating partners made significant progress in the [coordination] process in terms of harmonizing and coordinating donor responses, reducing duplicative efforts and budgets, and identifying gaps and priorities for support to the national effort.”

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<sup>9</sup> 2008 Evaluation of DFID Country Programs

<sup>10</sup> Japan Country Assistance Evaluation of Zambia 2006

Similarly, a 2008 DFID report states “the donor environment within Zambia is highly harmonized.”<sup>11</sup>

However, this period of intense coordination stopped suddenly in mid-2009, when a whistle-blower account sparked an investigation into corruption allegations. Zambia’s Anti-Corruption Commission found that almost US\$2 million in health aid was stolen by Ministry of Health officials in Lusaka.<sup>12</sup> This scandal led to international scrutiny from the press in donor countries, and was widely discussed in international development news and blogs.<sup>13</sup> Donors were spooked by the scandal, and some immediately withdrew support from the pooled funding basket throwing donor coordination for health in Zambia into disarray (Usher 2015; de Vibe et al. 2013).

Sweden was particularly swift in its response (Usher 2015). Sida immediately froze its health aid, and later cancelled all general budget support as well. In total, Sweden alone withheld more than US\$60 million in aid from Zambia, and it was over six years before Sweden reinstated aid for health in Zambia. Other donors followed suit.

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<sup>11</sup> 2008 Evaluation of DFID Country Programs

<sup>12</sup> <http://www.bbc.com/news/10331717> ; <https://tgam.ca/2HVw6Io> ; <http://bit.ly/2F83m1a> ; <http://bit.ly/2oIk8Jf> ;

<sup>13</sup> Swedish, British, Canadian, and German newspapers all ran stories about the corruption scandal in nationally distributed papers, as well as international sources like Reuters. Development news sources like the Nordic international development news site *Development Today* and *IRIN* ran many stories about the scandal.

The Netherlands, another top health donor in Zambia, also suspended their aid.<sup>14</sup>

Canada suspended US\$14.5 million in aid. Even donors that did not participate in the SWAp responded by suspending their aid, like the Global Fund, which suspended US\$300 million in aid to Zambia.

The 2009 corruption scandal ended an era of high-intensity coordination in Zambia. Over time, it was determined that over US\$5 million of donor money was embezzled, and Internal diplomatic documents from the U.S. and Canadian governments give a sense that aid officials, particularly at CIDA, Sida, and the Royal Netherlands Embassy (RNE) were acting directly in response to international and domestic media and political pressure from their home countries. A US official noted that for donors who invested heavily in coordinated aid, this scandal was “not merely a governance issue, but a political liability in their home countries.”<sup>15</sup> A diplomatic cable from the US Mission in Lusaka, Zambia notes that after a meeting with the Zambian president, “[t]he Dutch Ambassador (who previously served as an inspector of the Dutch Foreign Service) told [the US representative] that he is under enormous pressure from The Hague, with parliament and ministries watching carefully how every Euro is spent in the present economic environment.”<sup>16</sup>

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<sup>14</sup> [http://www.development-today.com/magazine/2010/dt\\_9/news/5658](http://www.development-today.com/magazine/2010/dt_9/news/5658)

<sup>15</sup> Wikileaks USDOS Cable [09LUSAKA367](#)

<sup>16</sup> Wikileaks USDOS Cable [09LUSAKA367](#)



In the wake of the scandal, donor agencies (and their home governments) called for reform, leading to the creation of the Governance & Management Capacity Strengthening Plan in 2012. While some countries continued to send project aid to Zambia after the scandal, the corruption scandal ended budget support for health for a time. Interestingly, the severe response was largely on the part of donor government representatives in headquarters, not local aid bureaucrats within Zambia. Swedish and Canadian officials local to Zambia openly expressed frustration with Sida and CIDA headquarter officials, warning that long-term withholding of aid would certainly lead to setbacks in progress and negative health consequences for the people of Zambia.<sup>17</sup>

Not all donors reacted the same way. Many multilaterals remained active in Zambia's health and HIV/AIDS sector. European Union and African Development Bank actually increased their contributions to Zambia's health sector (Savedoff, Glassman, and Madan 2016). Notably, the US was one of the only top health and HIV bilaterals that seemed undeterred by the corruption scandal. While discussion about the scandal appears in diplomatic cables from Zambia, Sweden, and The Hague, and in the PEPFAR Zambian Country Operational Plan (COP) for fiscal year (FY) 2010, there did not seem to be much alarm. In the discussion of a coordinated health systems strengthening project, PEPFAR staff note:

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<sup>17</sup> PI Exclusive: Internal documents obtained by PI show CIDA failed to detect fraud

the [Zambian Ministry of Health] is currently working through an instance of significant funds misappropriation by some of its staff. While no PEPFAR Zambia funds were involved, the situation has led to Sweden, the Netherlands, Canada and the Global Fund delaying further disbursements pending the outcome of investigations and audits and the Zambian government's response... Thus the program is essentially on hold and the health sector as a whole must manage with reduced resources for at least the near future.<sup>18</sup>

The budget proposal continues on normally, with only one other mention of the scandal limited to the suggestion that "USG may provide technical assistance and support for improvement of financial management systems in the MOH" to help prevent future corruption. Subsequent COP reports echo this nonchalance. The FY2011 PEPFAR COP uses identical verbiage to the prior year, and by FY2012, the COP only notes "[t]he USG will provide support to build capacity and strengthen financial management and procurement systems at the [Ministry of Health] Leadership and governance interventions will continue to be a major component of USG support."<sup>19</sup>

### **6.2.2 2009-2017: Re-starting Coordination and Variation in Donor Agency Engagement in Coordination**

In the wake of the 2009 corruption scandal, donors who had been heavily invested in the pooled basket fund shifted their focus from coordination to managing corruption (de Vibe et al. 2013). As shown in Table 6.18, Sweden – Zambia's lead health donor and Zambia's most committed SWAp donor – pulled a significant portion of its

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<sup>18</sup> PEPFAR Zambia Country Operational Plan Fiscal Year 2010

<sup>19</sup> PEPFAR COP Zambia FY2011 and FY2012

health aid to Zambia. Most donors suspended basket funding for at least three quarters. Trust between the main HIV/AIDS and health donors was further jeopardized later that year later when the Government of Zambia signed an off-the-budget, US\$52 million agreement with China to build mobile hospitals to serve mobile communities. Donors did not agree on the propriety of GRZ signing on to an agreement with a donor whom some felt would not hold the Zambian government to new anti-corruption standards.<sup>20</sup>

**Table 6.18: Swedish Aid to Zambia’s Health Sector**

	Total \$US	To Basket Fund	% Aid to Basket Fund
2006	153	141	92%
2007	134	131	98%
2008	129	129	100%
2009	63	63	100%
2010	8	8	100%
2011	32	27	85%
2012	84	82	98%
2013	151	71	47%
2014	73	10	14%
2015	123	131	63%

Adapted from Usher (2015) using data from Swedish Embassy Zambia

Consequently, from 2009-2014 donors only released money to the Zambian basket fund in small amounts at a time (Usher 2015). Basket donors essentially replaced the coordinated funding mechanism with smaller, directly funded, easily controlled projects, while donor agencies that had not been a part of the basket fund (like the U.S.

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<sup>20</sup> See Thomson et al. 2010, [IOL news article](#), and [Results of the Swedish Cooperation Strategy for Zambia 2008 - 2011](#)

and Japan) continued, and even expanded, their project funding in this period. From 2009-2015, US PEPFAR funding increased significantly. Similarly, DFID – which had ended their pooled funding before the embezzlement crisis – gradually increased their aid for health broadly, and quadrupled the amount of HIV assistance to Zambia from 2010 to 2015.<sup>21</sup>

By 2015, it appeared that the shock of the embezzlement scandal and the China mobile clinic issues began to wear off for donors, and most donors reinstated full funding to Zambia. There was not a full shift back to budget support for health, however donor agencies reaffirmed their commitment to coordination. Table 6.18 above shows the example of Sweden, which significantly decreased the total amount of aid to the health sector in the wake of the scandal. Yet as Sweden slowly increased aid back to pre-scandal levels, they did not fully return to basket funding at the same rate.

Sweden’s Sida and the Royal Netherlands Embassy continue to provide a portion of their aid through the SWAp basket fund annually. Additionally, the United Kingdom’s UKAid worked towards sending portions of its GBP£ 35 million in aid through the SWAp, noting “The existing sector-wide approach structure in Zambia is not functioning sufficiently well to be the only dialogue point for this programme but as

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<sup>21</sup> See the [DFID Zambia Operational Plan 2011-2015](#).

technical working groups are strengthened, the SWAp structure will be used.”<sup>22</sup> Even the United States’ USAID – despite choosing not to contribute aid through the basket fund in pre-scandal years – contributed “modest non-project assistance” through the Zambian SWAp basket fund as well.<sup>23</sup>

One respondent noted that the return of some donors to a budget support model decreased the amount of funds available solely for HIV/AIDS, “EU donors have moved away from HIV [specific funding]. DFID and others have moved away from HIV directly, back to a government funding model.”<sup>24</sup> Similarly, a Ministry of Health official commented on changes to the Sector-Wide Approach since before the scandal saying, “Donors moved away from using the SWAp because of the scandal. But the SWAp now is used for technical working groups. But funds aren’t the same.”<sup>25</sup>

Instead of working only through the health sector SWAp and basket funding, former basket donors focused their attention on project-level coordination, and using working groups as an avenue to divide the response among donors by district, by issue area, and by types of projects. Moving towards district specific coverage was of particular importance to the donors that were most interested in coordination.<sup>26</sup>

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<sup>22</sup> [DFID Zambian Health Systems Strengthening Programme](#)

<sup>23</sup> [USAID Country Development Strategy 2011-2017](#)

<sup>24</sup> Interview 12, 20 April 2017

<sup>25</sup> Interview 32, 16 June 2016

<sup>26</sup> Interview 33, 20 June 2016

Despite the challenges coordinating in the post-scandal period, many donor agency representatives commented on the importance of coordination. A US Department of State PEPFAR interviewee emphasized that sustainability is important, and it is not possible without coordination:

We're not going to get to sustainability without coordination. [It] leads to efficiency, and helps us lead to transition. In the end, if we keep doing our own thing, it's bad for the country. Lack of coordination takes away from their ability to do their own system. Our [Country Operational Plan development] process wasn't open to everyone till last year, and it makes a world of difference. It's easier to do your own thing, but it doesn't lead to sustained ability.<sup>27</sup>

Multiple respondents highlighted the importance of leadership, order, and planning in making coordination possible in Zambia. For example, a US Department of State Official emphasized, “[l]eadership matters in a real way. It matters at the country level and at global level, but the lead for a country level really matters.”<sup>28</sup> A Zambian Ministry of Health Official agreed, “we [at the Zambian Ministry of Health] have HIV technical working groups, and all partners included. When we concentrate here, donors must work under the health plan.”<sup>29</sup> The importance of having a plan was underscored

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<sup>27</sup> Interview 12, 20 April 2017

<sup>28</sup> Interview 13, 21 April 2017

<sup>29</sup> Interview 32, 16 June 2016

by an official from the Embassy of Sweden, who noted, “we’ve made coordination really simple with the Global Fund CCM – the donors have agreed on a rotation system.”<sup>30</sup>

While most respondents agreed that coordination has been quite successful in Zambia, all actors do not share the wholly positive attitude. One Clinton Health Access Initiative representative who had been placed in the Ministry of Health lamented that increased coordination co-opted resources for HIV/AIDS that might have gone elsewhere, commenting, “[e]very report seems to feature the top diseases – HIV and TB. You just need to look at the partners’ reports to see what’s left out. Partners just want to spend a certain amount on a specific problem.”<sup>31</sup> A UNAIDS Zambia official noted, “the kind of cooperation you have may be dictated by groups that are part of the coordination, and there are many groups that aren’t [coordinating].”<sup>32</sup>

### **6.3 Constrained Coordination in Zambia**

Donors in Zambia have exhibited high levels of coordination over time, and most interview respondents and reports agree that coordination has been successful. But how does this align with the theoretical predictions of Constrained Coordination? Given the successful outcomes, the theory would imply that Zambia is a low priority country, and that there are many highly autonomous aid agencies with a significant presence in

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<sup>30</sup> Interview 33, 20 June 2016

<sup>31</sup> Interview 48, 17 June 2016

<sup>32</sup> Interview 41, 21 April 2017

Zambia's health and HIV/AIDS sectors. Indeed, this is the case in Zambia, and the country lines up well with the theoretical predictions.

### **6.3.1 Zambia as a Low Priority Country**

Zambia ranks poorly in almost every dimension that strategic prioritization of recipient countries is measured, as I outline in Table 2.2. The land-locked nation is located in south-central Africa, and has a small, poor population. In fact, today Zambia is one of the poorest nations on the continent, with 61% of the population living below the national poverty line. Zambia maintains few major connections to the global economy apart from copper production. Despite sustaining strong growth rates in the early 2000s, the depreciation of the Zambian Kwacha and a drop in copper prices slowed the prospect of Zambia's future economic growth and any global interest in the economy. Zambia is not a major trading partner for most its traditional donors. Switzerland is the only traditional donor to have any significant trade partnership with Zambia, however it does not have a significant presence as a donor.<sup>33</sup>

Zambia does not present a major political or security interest to donors either. It made a peaceful transition to independence in 1964 and has generally enjoyed political stability since, with presidential elections every five years. Despite maintenance of a relatively stable democracy and peace for the last 30 years, Zambia is not a regional

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<sup>33</sup> China is another large trade partner that is also a donor



leader in southern Africa. Zambia is a member of the Southern African Development Community and the Common Market for Eastern and Southern Africa, within which South Africa serves as the regional leader. Historically speaking, Zambia has not been tactically important to the West or any other region. The country was not aligned during the Cold War, and has had no significant armed civil or interstate conflict. Zambia is a member of most major international and regional organizations. Zambia provides peacekeepers for international peacekeeping missions, and has shown no significant anti-West sentiment in UN Voting.

**Table 6.19: Zambia as a Low Priority Country**

Colonial History (Independence)	United Kingdom (Commonwealth Member) (1964)
Population (2016) <sup>34</sup> (2050)	16.6 Million (41 Million, 54 <sup>th</sup> )
Regional Membership/Leader	South African Community/No
GDP per Capita (PPP, 2016) <sup>35</sup>	US\$4000
Global Trade:	Raw Copper (\$2.88B), Refined Copper (\$1.57B)
Migration	Zambian emigration is low compared to many other African countries
Security	No significant issues
Priority Level	Low

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<sup>34</sup> UNFPA [World Population Prospects](#)

<sup>35</sup> Forecasts from [Pardee Center for International Futures](#)

The Republic has had no major conflicts with any rich country – or even any of its neighbors. There is no significant terrorist activity in Zambia, no significant human rights violations from the Zambian government that have received global attention. There are no major migration patterns out of the country, meaning that there is no large Zambian constituency in donor countries – a fact that could serve as an incentive for donors to send aid according to Bermeo and Leblang (2015).<sup>36</sup>

Essentially, Zambia is not a global or regional priority for almost any donor government by almost any measure of strategic prioritization that has been used in the literature on foreign aid. To this end, some of Zambia’s medium-sized OECD donors like the Netherlands and Denmark do not maintain an active embassy in country. Therefore, the Constrained Coordination framework would predict that Zambia is a country that is well suited for coordination efforts by donors.

### **6.3.2 Donor Political and Economic Interests**

Despite the fact that Zambia is a low priority country, donors’ domestic political and economic constituencies shaped their willingness and ability to coordinate.

Interview respondents highlighted the impact of donor government interests playing a

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<sup>36</sup> Zambia has many citizens in the United Kingdom, though the raw numbers are low compared to other migrant sending nations in the UK. Furthermore, the number is about half of the number of Zambian in South Africa.

role in why coordination agreements were thrown out so quickly after the scandal. A

Swedish Embassy official noted the role of national interests:

Of course interests are there and play a role. When all goes badly, [memoranda of understanding] mean nothing, you know? People just give up on the system. After s\*\*t hit the fan, interests played a clear role in the narrative. You could see it, because it was very big in the Swedish media. It was very much a domestic story – an excuse to move away from funding in Zambia.<sup>37</sup>

De Vibe et al. (2013) understood the 2009 donor flight in the same way as the Swedish official, noting that the different responses by funders regarding the 2009 scandal suggest that the gravity of the events in Zambia was less important than the funders' domestic politics, priorities and audit standards. In fact, because the embezzlement was uncovered by Zambian sources and the President immediately called for an anti-corruption investigation, some felt that this was progress in an government accountability that donors themselves financed (Savedoff, Glassman, and Madan 2016). However, the successful detection of corruption by Zambian sources using detection systems that aid agencies had helped to develop did not stop donor governments from spooking.

While DFID stopped giving to the basket fund slightly before the scandal, there were other changes that indicated a more interest-based form of aid was on the horizon. Perhaps the most visible sign of this change came just after the scandal, DFID changed

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<sup>37</sup> Interview 33, 20 June 2016, Censorship added.

their domestic and international logo to UKAid in order to solidify support at home and influence abroad.<sup>38</sup> Despite public pushback, Douglas Alexander the Secretary for International Development justified this change, saying, “At the moment DFID is just about the best kept secret in government. Given the scale of the resources we spend on its behalf, the British public deserve to know more about our work. I also think as more people hear of our work it will help sustain support for that work.”<sup>39</sup>

Donors who were not affected by the embezzlement scandal still expressed the opinion that domestic considerations could play a role. A US CDC Official noted that sometimes the US will not coordinate because “[e]veryone has a role to play, but everyone also has own vested interests. Sometimes we have to say, ‘that’s not something that we’re going to fund,’ looking at things frankly.”<sup>40</sup> A Zambian Ministry of Health Official agreed that donors indeed have vested interests; “[t]he donors here definitely see benefit where they can – economic, political, and getting countries to buy goods”<sup>41</sup>

Donors’ domestic political and economic interests certainly play some role in how donors approach working with each other and with the Government of Zambia. However, because Zambia is such a low priority country, it is not clear that these

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<sup>38</sup> See UKAid replaces DFID Overseas and Britain's help to the Third World to be rebranded 'UKAid' in *The Independent*

<sup>39</sup> “Douglas Alexander: You Ask The Questions,” *The Independent*

<sup>40</sup> Interview 12, 20 April 2017

<sup>41</sup> Interview 32, 16 June 2016

considerations ever really stood in the way of donors coming together to coordinate – save immediately after the scandal. Sweden and the United Kingdom’s retreat from Zambia seem to be more of a consequence of scandal, allowing their home governments to use the Zambia case as small part in larger stories to justify organizational changes at Sida and DFID. In the end, donor coordination is characterized as a success by donors, the government of Zambia, and other observers and stakeholders.

### **6.3.3 Autonomy and Other Bureaucratic Issues**

As my theory would predict to be the case in a low-priority country like Zambia, coordination has been successful. However, it is apparent that aid agencies have taken different tactics regarding coordination. Agencies that were more involved in the toughest form of coordination – basket funding – differed from those who did not. Constrained Coordination would predict that high autonomy donor agencies like the UK’s DFID, Sweden’s Sida, and Norway’s Norad would coordinate the at high levels in Zambia though Sida’s autonomy has been curbed by its Ministry of Foreign Affairs since the public 2009 scandal, and Norad was limited by its Foreign Ministry in 2004, they remain more autonomous than some other donors, though Constrained Coordination would also predict lower levels of coordination after the absorption into their respective MFA (Gulrajani 2015a). Conversely, agencies that have low levels of autonomy like Irish AID and the US PEPFAR agencies did not coordinate as often, or as in depth.

While Zambia has a long and strong history of coordination, even despite crisis, coordination has not always come easily, and some donors are more coordination-oriented than others. Interview respondents often identified ways that lack of aid agency autonomy hindered coordination for the US in particular. A US Official from the Department of State cited the US as the frequent problem, recalling “[w]hen working with JICA it was always lengthy. We would always have to go back to headquarters.”<sup>42</sup> Later in the interview, she returned to this theme; “[w]e collaborated a lot with JICA who could do construction way easier. USG had real problems doing construction because of funding structures and mandates. We would talk about how they would do infrastructure, we would do services.”<sup>43</sup> Even working with the bureaucracies across the different US PEPFAR agencies was sometimes a challenge, as a USAID Official noted that within the giant PEPFAR operation “[p]ersonalities and institutional culture matter a lot. For example, in PEPFAR our institutional mandates are different. CDC has their labs and data – they are very technical.”<sup>44</sup>

A Swedish program review noted that bureaucratic issues on the part of several donors made it challenging for the Government of Zambia to take the lead in coordination. “The reason relates to many donors’ rigorous bureaucracy. For example,

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<sup>42</sup> Interview 13, 21 April 2017

<sup>43</sup> Interview 13, 21 April 2017

<sup>44</sup> Interview 44, 21 June 2016

only Sweden and the Netherlands have adapted their funding to the Zambian system, while other donors are hesitant to the Swedish and Dutch model and instead use parallel structures.”<sup>45</sup> A US CDC Official agreed that financial autonomy was a problem in particular, saying “[i]t’s hard to work with any one partner. Everyone is held by the constraints of their funding mandates.”<sup>46</sup>

It makes sense that Sweden and the Netherlands adapted to the country standards. Sweden is widely known for being a “team player” and working to integrate their development programs into county-led support (Gulrajani 2010). The pairing was also a logical rekindling of two of the central donors in the SWAp basket fund prior to the corruption scandal. A Swedish Embassy Official respondent acknowledged and took pride in Sida’s leading role as a coordinator, noting that in Zambia “Sweden is a driver of coordination.”<sup>47</sup>

This way of thinking is in line with how Swedish aid bureaucrats viewed their role even prior to the 2009 scandal. A 2005 report on health and HIV activities in Zambia emphasized how “Sida was recognized by many of their peers as advocating for more coordination in the support from development partners. Sida plays a leading role in establishing joint financing agreements with a number of other bilateral donors of the

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<sup>45</sup> Results of the Swedish Cooperation Strategy for Zambia 2008 - 2011

<sup>46</sup> Interview 12, 20 April 2017

<sup>47</sup> Interview 33, 20 June 2016

so-called 'like-minded group', which favors coordination..." Given the autonomous natures of Sida and Norad (though Norad is significantly less autonomous), it makes sense that Norway is the "like-minded" donor that is highlighted.<sup>48</sup>

Key donors in Zambia's health and HIV/AIDS sectors coordinated in ways that are theoretically consistent with their autonomy levels. Despite the largely positive outlook on coordination in Zambia, aid workers were quick to highlight the frustrations of bureaucratic issues, particularly with regard to PEPFAR. Furthermore, the relatively autonomous Sida took the lead on donor coordination for health and HIV in Zambia. Despite their status as a small player in health, and the hiatus caused by embezzlement of Swedish funds, Sweden returned with the same coordination-focused approach to health and HIV/AIDS.

## **6.4 Conclusion**

In this chapter I outlined the case of donor coordination in Zambia. I used qualitative evidence to demonstrate that bureaucratic freedom and the lack of real oversight from donor government interests allowed aid agencies to pursue donor coordination for health and HIV/AIDS in Zambia I used analysis of secondary documents and interviews with key stakeholders as evidence donor agencies are largely

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<sup>48</sup> Turning Policy into Practice: Sida's Implementation of the Swedish HIV/AIDS strategy (Zambia) (2005)



satisfied with their efforts, unlike in Nigeria. These findings are consistent with the Constrained Coordination theoretical framework.

Could these findings be chance findings? While it might be tempting to dismiss them, the 2009 corruption scandal provides a nice comparison to the relatively straightforward story in Zambia. After the stealing was uncovered, the governments of Sweden, Canada, the Netherlands, and the United Kingdom were on high alert, and began to enforce real oversight over their aid workers in Zambia. Essentially, Zambia was a high profile country during the scandal, and donor governments were watching the local activities of their aid agencies as they would in a higher priority country. As the Constrained Coordination theory would predict, these aid agencies immediately backed out of their coordination agreements. However, as the scandal faded into the past donor governments forgot about the Zambia crisis and aid agencies recommitted themselves to coordination in the absence of oversight.

Focusing on the Zambia case can help us understand that in low priority recipient countries – that is, aid recipients that are of little political, economic, and security interest to donors – donor coordination has room to flourish. Additionally, this case helps us understand the role of agency autonomy. Autonomous, coordination-loving Sweden teamed up with other relatively autonomous aid agencies like Norway and the United Kingdom in the Sector Wide Basket Fund, an intensive financial coordination mechanism. These autonomous donors managed to involve less

coordination-friendly donors like the United States SWAp. Despite the financial dominance of the from coordination-shy United States, the strong coordination norms within Zambia's donor pool drew in more resistant donors like the US.

## 7. Non-DAC Donors & Coordination

### Do China and Other “Emerging” Donors Coordinate their Aid?

In this chapter, I present a case study about the coordination practices of Southern donor governments. So far, this dissertation has overwhelmingly focused on the actions of OECD donor governments, who make up a group of donors called the Development Assistance Committee (OECD-DAC, or simply DAC). DAC donor countries have historically been, by-and-large, rich, Western nations. Indeed, most scholarship on foreign aid and donor coordination focuses on “traditional and Western” donors – including Canada, the United States, the United Kingdom Germany, Japan, and more. However, when I conducted interviews about donor coordination in Nigeria and Zambia, respondents often mentioned dealing with South Africa, China, and India as donors. Increasing involvement by these “emerging” donor governments is changing the landscape of foreign aid and perhaps also of donor coordination.

Non-DAC donors (NDD) – popularly termed “emerging,” “non-traditional,” or “Southern” donors – are increasingly important players in foreign assistance (Manning 2006; Mawdsley 2012; Walz and Ramachandran 2011). This is especially true in areas such as infrastructure development and agricultural aid. But it is also true with regards to social aid like aid for global health and HIV/AIDS. In fact, some scholars argue that NDD are driving a “silent revolution,” often giving aid with less conditions, different

strategic motivations, and emphasizing their role as partners in lieu of the typical “donor-recipient” language (Walz and Ramachandran 2011; Woods 2008). In recent years, there has been an effort by scholars to map out and understand the actions and motivations of this group of donors, but authors have not explored their views and actions with regards to coordination.

Because of the diversity in these donors’ intentions, abilities, models of aid delivery, and more, scholars have argued that it is necessary to consider their actions separately from DAC donors (Manning 2006; Walz and Ramachandran 2011; Zimmermann and Smith 2011). Despite this, the effect that these donors have on donor coordination has not yet been explored. This chapter fills that gap for a subset of NDD countries that scholars call the “South-South” or “Southern” donors, comprised of countries like China and India – two of the largest NDD. The goals and strategies of these Southern donors appear to differ significantly from those of “traditional Western” donors. Can the same be said about Southern donors’ coordination practices?

In this chapter, I seek to expand our knowledge of coordination and Southern donors by asking two basic research questions. First, do Southern donors coordinate? Second, I ask the natural follow-up question: why or why not? I leverage qualitative evidence from key stakeholder interviews to answer these questions. The chapter proceeds as follows. In Section 1, I describe the three models of non-DAC aid, with a specific emphasis on Southern donors. I answer several questions: Who are Southern

donors? Who are their recipients? How much aid do they provide? In Section 2 I discuss the attributes of Southern donors through the lens of my Constrained Coordination theory. I explore Southern donors' strategic priorities, what scholars know about their bureaucratic structures, and I describe the current study context, and how I drew conclusions from my rich qualitative data. Section 3 addresses the core research questions of this chapter using respondents' own words and secondary documents: do Southern donors coordinate? Why, or why not? Section 4 concludes.

### ***7.1 Who are Southern Donors?***

While research about Southern donors has been on the rise for the last ten years, non-Western aid has been around for quite some time. It has been known by many other names, including "Southern cooperation" and "non-DAC development assistance." Yet is impossible to discuss the Non-DAC donors without first defining who DAC donors are. The OECD Development Assistance Committee – originally the Development Assistance Group - formed in the early 1960s in an effort to harmonize the growing field of international development assistance.

As the world was rebuilt after the end of World War II and reshaped in postcolonial era, there was strong political will to increase aid to poor countries. It is about this time that standalone international development agencies – the main aid

agencies that I have discussed in the previous chapters – were founded.<sup>1</sup> The Development Assistance Committee brought together these donor agencies from advanced, industrialized countries to improve the way they tracked the outflows of development assistance.<sup>2</sup> The first resolution that the early form of the DAC passed in July 1960 was “a resolution relating to the improvement of information on financial assistance to the developing countries” (Führer 1996). Since the inception of the DAC, the group has evolved, and for some time has defined and monitored global standards in development for the world’s main donors.

### **7.1.1 Distinguishing Southern Donors**

The history of the OECD donors and DAC is often presented as the definitive history of foreign assistance. However, many more governments provide aid, as outlined in Table 7.20. While scholars of NDD argue that there are distinct models of aid

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<sup>1</sup> Canada establishes "External Aid Office," later becomes the Canadian International Development Agency (1960); France Ministry for Co-operation (1961); United States Foreign Assistance Act establishes the United States Agency for International Development and the Peace Corps (1961); German Parliament establishes Ministry the Ministry for Economic Co-operation (1961); Japan establishes the Overseas Economic Cooperation Fund (OECF) in (1961), the Overseas Technical Cooperation Agency, the predecessor for Japan International Cooperation Agency (1962); Sweden establishes the Agency for International Assistance the predecessor for the Swedish International Development Authority (1961); Swiss Parliament establishes programme-credit" and technical co-operation services (1961)

<sup>2</sup> Original Members: Belgium, Canada, France, Germany, Italy, Portugal, the United Kingdom, the United States and the Commission of the European Economic Community (January 1960). Japan and the Netherlands are added almost immediately (invited in January and July 1960 respectively).

delivery, Southern donors are growing quickly in funds and influence, and are the focus of this chapter (Walz and Ramachandran 2011; Zimmermann and Smith 2011).

**Table 7.20: Southern Donors**

Southern Model	
Argentina	Indonesia
Brazil <sup>†</sup>	Malaysia
Chile <sup>‡</sup>	Mexico
Colombia	Nigeria*
China <sup>†</sup>	South Africa <sup>†</sup>
Egypt	Thailand
Kazakhstan <sup>3</sup>	Vietnam
India <sup>†</sup>	

† denotes BRICS countries, \* denotes OPEC Countries. While there are many ways to group non-DAC donors, this list was pulled from interviewees and from Walz and Ramachandran 2011; Zimmermann and Smith 2011.

### **Southern Donors**

Perhaps the most dominant group of non-DAC donors is the “Southern” or “South-South” donors. While the largest Southern donors are China and India, this is a diverse group that includes countries like Brazil, Indonesia, South Africa, Mexico, and Venezuela. The incredible diversity of Southern donors’ aid programs cannot be overstated. There is significant variation in the size of their aid programs, the types of aid they provide, the recipients they select, and more.

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<sup>3</sup> Kazakhstan is an “invitee” of the DAC, not an official member, Israel, Estonia, Mexico

At the same time, there are important characteristics that some subgroups of NDD countries share. For example, many Southern donors are current recipients of official development aid, as shown below in Table 7.21. Incidentally, this leads to many questions and some controversy within the DAC donor countries that provide them with aid, where politicians ask themselves if they should send aid to countries that also disburse their own aid (Dreher, Nunnenkamp, and Thiele 2010; Walz and Ramachandran 2011). Also, many Southern donors countries still have significant levels of poverty within their own borders, drawing scrutiny from citizens and outsiders for providing development assistance abroad when there is so much work to be done at home (Walz and Ramachandran 2011).

Some Southern donors have been providing aid for almost as long as DAC donors. For example, China and India have long been Asian powerhouses with regards to aid delivery. India established the Indian Technical and Economic Cooperation in 1964, but began regional development initiatives as early as the 1950s. Similarly, China began regional initiatives in the 1950s, and increased its reach to African countries in 1963. Notably, China built the Tan-Zam railway, the highest-profile intervention and the biggest construction project undertaken anywhere in Africa in the 1960s and 70s. Throughout the Cold War, China provided aid to 30 African nations, and has since



given to almost every African nation (Manning 2009; Walz and Ramachandran 2011).<sup>4</sup>

Other Southern donors are newer to this side of foreign aid: Brazil began its foreign aid operation in 1987; South Africa in 2001; and Mexico and Colombia in 2011.<sup>5</sup>

### **7.1.2 Southern Aid Volumes and Recipients**

It is unclear how much aid Southern donors provide. This is mostly a consequence of incomplete information, as most Southern donor governments do not report their aid flows to DAC, which has long been accepted by traditional donors as the centralized hub for all development aid data (Kitano and Harada 2016; Strange et al. 2017; Walz and Ramachaggvndran 2011). Scholars have given significant thought to the right way to measure the aid flows of this group of donors, but the upper and lower estimates of Southern aid often vary significantly. For example, Brazilian aid was estimated to be between US\$350 million and US\$4 billion in 2009, while India's aid was estimated to be between US\$480 million and US\$2.2 billion.

Despite the lack of clarity surrounding Southern donors aid volumes, we know that there is significant variation in the size of Southern aid programs, as seen in Table 7.21. China provides more than US\$3 billion dollars in aid annually (at least), while

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<sup>4</sup> Notably, Burkina Faso and the Kingdom of Swaziland align with Taiwan, and consequently receive no Chinese official aid, though there is documentation of the growing presence of Chinese enterprise in these countries.

<sup>5</sup> , 30 Years of Brazilian Cooperation: AGCID About Us; and OECD Development finance of countries beyond the DAC

countries like Chile, Nigeria, and Thailand give under US\$50 million. Scholars calculate that most aid given by Southern donors is disbursed bilaterally.

When it comes to recipients, Southern donors often start by joining with countries within their region to form regional programs, then continuing by expanding to include partners beyond their boundaries – especially those in sub-Saharan Africa. Resource rich African countries such as Angola, Sudan, and Nigeria have been popular targets and recipients of aid (Altuni \csik 2014; Strange et al. 2017; Walz and Ramachandran 2011). Southern aid targets infrastructure and provides technical cooperation at higher frequency than DAC donors, with a focus on avenues for economic development that can benefit both parties.

**Table 7.21: Southern Donor Aid Volumes**

Country	Aid Outflow (US\$ Millions)	Aid Inflow (2015, US\$ Millions)
Brazil	316 (2013)	1,182
Chile	33 (2015)	87
China	3100 (2015)	1,490
Colombia	42 (2015)	1,420
India	1800 (2015)	5,340
Indonesia	56 (2014)	2,036
Mexico	288 (2014)	508
Nigeria	25 (2015)	2,514
South Africa	100	1,420

	(2015)	
Thailand	14 (2016)	327

From OECD Estimates and donor agency reports.

There are also differences in how these donors provide development financing. Southern donors often give through different aid modalities<sup>6</sup> than traditional donors, even providing types of development assistance that scholars hesitate to call official development aid (Kitano and Harada 2016; Sato et al. 2010; Walz and Ramachandran 2011). It is also one of the reasons for the wide variance in estimations of Southern donor aid flows – whereas aid from traditional OECD donors often comes in the form of grants and concessional loans, emergency and food relief, debt relief and technical cooperation, Southern donor show a preference for different combinations of project-aid and programs, export credits, concessional loans, and equity which are not easily captured by the “official development aid” flows that are tracked for OECD donors (Kharas 2007). Southern donors also provide more tied aid and technical assistance when compared to traditional DAC donors.

In sum, though there is significant variation among the countries that make up the Southern donors group, they differ from Western, OECD donors. However, thus far scholars have neglected the area of donor coordination. Southern donors increased

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<sup>6</sup>The term aid modalities refers to the different ways that donors provide assistance to recipients, and the most common modalities for traditional donors come in the form of grants and concessional loans.

activity in low and middle-income countries exacerbates the problems associated with donor proliferation, but scholars have yet to explore these donors' coordination practices., I address this gap in the following sections of this chapter.

## **7.2 Southern Donors and Constrained Coordination?**

Not much is known about the coordination habits of Southern donors. Like traditional, OECD donors, Southern donors provide funds to major international multilaterals like the World Bank and different United Nations agencies. They also provide aid through a number of newer Southern development initiatives and multilateral banks created by Southern donors for Southern recipients. These behaviors mimic the dual giving behavior of OECD donors. They coordinate using multilateral agencies, but also give bilaterally adding to proliferation concerns like administrative burden, duplication, cross-purposes, and the like.

Does this group of donors engage in coordination to minimize these negative consequences? I anticipate that these donors will behave in ways that are consistent with my Constrained Coordination theory. In this section, I outline what scholars have to say about Southern Donors' strategic interests and bureaucratic autonomy.

### **7.2.1 Strategic Priorities**

We have many reasons to think that southern donors may behave differently regarding coordination. Just as with traditional, OECD donors, Southern donors have

strategic interests that drive their foreign aid policies. While scholars have not explored these donors' interests as extensively, they have found that a clear difference between DAC and Southern donors is that aid is seen as "horizontal" – players on the same level providing assistance to each other, and it is largely motivated by the promotion of bilateral and regional trade and investment (Glennie 2011a; Walz and Ramachandran 2011). Southern donors' eschew the traditional framework of donors and recipients, preferring a discourse about mutually beneficial relationships (Walz and Ramachandran 2011; Woods 2008). This view of aid transactions as one-on-one partnerships may discourage coordinated behavior, as joining a group of donors may not be conducive to the Southern donors' bilateral needs.

Some scholars and practitioners have argued that collecting valuable national resources is a strategic priority of Southern donors. As developing countries, these donors "face increasing pressure to meet internal demands for natural resources" (Walz and Ramachandran 2011, 14) Many Southern donors have growing populations in size, increasing pockets of wealth, and budding industry all of which demand natural resources. Donors are looking to resource rich countries (African countries in particular) to meet that demand (Aneja 2015; Ozkan 2013; Walz and Ramachandran 2011).

**Table 7.22: Goals and Rhetoric of Donors**

DAC Donors	Southern Donors
Charity	Opportunity
Moral Obligation	Solidarity
Knowledge-based expertise	Experience-based expertise
Sympathy	Empathy

Developed by Mawdsley (2012).

Scholars have also noted that the rhetoric that Southern donors use has a strategic bent, especially when contrasted with the rhetoric of DAC donors in Table 7.22. In particular, the opportunity versus charity framing of aid may be a detriment to any coordination efforts. Southern donors are clear about the quid-pro-quo intentions of a lot of their aid. This is an explicit acknowledgement that economic opportunity is a goal of aid and, as I argue in my Constrained Coordination theory, donors are less likely to coordinate strategic aid.

### **7.2.2 Agency Autonomy**

There is significant variation in the bureaucratic channels through which Southern donors deliver their aid, as shown in Table 7.23. Despite these differences, there are very few countries where an aid bureaucracy has significant control over aid policy. Generally, ministries of foreign affairs, finance, or commerce take the lead on the aid program. A few Southern donors – like China, India, Chile, and Thailand – have created targeted international development bureaucracies within their lead aid ministry – agencies with dedicated, expert staff working domestically and within recipient

countries. However, these agencies tend to wield little decision-making influence (Rowlands 2008; Walz and Ramachandran 2011). Other Southern donors disburse aid through many ministries and departments (not unlike many OECD donor governments), but maintain a strong level of policy coherence. However, a majority of Southern agencies lack this sort of policy coherence, and disburse their foreign assistance through many agencies in an uncoordinated way.

**Table 7.23: Selected Southern Donor Agencies**

Country	Government Ministry	Main Agency
Brazil	Ministry of Foreign Affairs	Brazilian Agency of Cooperation (ABC)
Chile	Ministry of Foreign Affairs	Chilean Agency for International Cooperation and Development (AGCID)
China	Ministry of Commerce Ministry of Foreign Affairs Ministry of Finance China Development Bank	China International Development Cooperation Agency (CIDCA) China Exim Bank China Development Fund
India	Ministry of Foreign Affairs Ministry of Finance	Development Partnership Administration India Exim Bank
Mexico	Ministry of Foreign Affairs	International Development Cooperation Program; Mexican Agency of International Development Cooperation (AMEXCID)
South Africa	Ministry of Foreign Affairs Ministry of Finance	Development Bank of Southern Africa African Renaissance and International Cooperation Fund (ARF)

Formal titles of ministries of foreign affairs have been standardized.

No matter the structure, scholars have noted that Southern aid agencies do not have high levels of autonomy from political actors (Rowlands 2008; Walz and

Ramachandran 2011). In countries where aid is provided by multiple ministries, each is executing its mandated function – foreign affairs targeted foreign policy goals; commerce targeting trade goals; and finance targeting domestic economic policy goals. Even when Southern donor governments create targeted aid agencies, they often lack the political clout and the resources to drive the aid agenda in a development-oriented way. China’s new agency – the China International Development Cooperation Agency (CIDCA) – is tasked with coordinating the disparate aid programs across competing ministries that provide aid. However, CIDCA has no direct authority over the ministries that it supervises, and the ability of the agency to promote development objectives to underpin foreign policy and commercial goals with development-oriented goals remains to be seen.

In sum, Southern donors are explicitly using their aid to seek opportunity. This framing of aid is unpopular with traditional donors, but Southern donors have embraced a direct strategy of mutual benefit. In my Constrained Coordination theory, this strategic motivation for providing aid is antithetical to donor agencies’ coordination. My theory also predicts that donor agencies with limited autonomy from their home governments will not coordinate. This appears to be the case for Southern donors. Moreover, the absence of targeted aid agencies in some Southern donor countries means there is no dedicated, development-oriented expert staff to advocate for pro-development behaviors like coordination. Given what we know about this group of



donors, I predict that they will not coordinate. As Southern donors grow in aid share and influence, it is important to get a sense of how they may be doing aid coordination differently.

### **7.2.3 Studying Southern Donor Coordination**

When it comes to Southern donors' coordination efforts, there is not much evidence one way or the other. There is some indication that these donors seek out opportunities for triangular cooperation – a form of one-on-one coordination in which a DAC donor or multilateral agency partners with a Southern donor to work with a third recipient country (McEwan and Mawdsley 2012). But these triangular projects often involve one off projects that are not integrated into general coordination efforts in a recipient sector, and do not help to address the concerns associated with donor proliferation (A. Johnson, Versailles, and Martin 2008).

Most Southern donors are signatories to the Paris Declaration, but these countries were largely considered to be recipient countries at the outset of the global efforts for donor coordination (Walz and Ramachandran 2011). As these nations have transitioned into a donor role, their commitment to coordination principals has varied from open embracing to highly skeptical. South Africa's ARF pursues OECD-style

coordination, stating that “In order to ensure that funding through the ARF is effective, the ARF will adopt the values of the Paris and Rome declarations on aid effectiveness.”<sup>7</sup>

On the other hand, some Southern donors began to participate in global conversations around aid effectiveness, they questioned some of the established best practices. At the 2011 OECD forum on aid effectiveness, Brazilian officials reported were content to stay outside of conversation, while Chinese officials reportedly said that the “principle of transparency should apply to north-south cooperation, but that it should not be seen as a standard for south-south cooperation.” coordinated efforts like pooled funds and budget support would decrease the amount of project funding available for infrastructure projects that Southern donors focus on (A. Johnson, Versailles, and Martin 2008; Walz and Ramachandran 2011). Furthermore, after Southern donors joined the OECD’s global high-level forums on aid effectiveness in Busan in 2011, harmonization was dropped from the key principles in the resulting documents and agreements. Looking at the rhetoric and incentives of Southern donors, it is unclear whether they prioritize coordination.

### **Southern Donors’ in Global Health**

I address Southern donors’ coordination practices by returning to the context of global health and HIV/AIDS, in keeping with the previous case studies of Nigeria and

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<sup>7</sup> African Renaissance And International Cooperation Fund Revised Strategic Plan 2015 – 2020

Zambia. Just as with DAC donors, Southern donors increased their aid for global health through the 2000s (Huang 2013; Walz and Ramachandran 2011). However, while traditional donors aid for HIV/AIDS and global health is falling, Southern donors' health aid has continued climbing. While health aid is a small percentage of outflows for most of these donors, their rising funds in the face of OECD donors' declining aid funds makes them increasingly important. Though this group of donors is better known for their infrastructure and economic development projects, these countries have contributed to the cause of health – particularly across sub-Saharan Africa (A. Johnson, Versailles, and Martin 2008; Tang et al. 2017; Walz and Ramachandran 2011).

Just as Southern donors have aid programs of vastly different sizes, the amount of aid they give for health varies significantly. Brazil gave about one-third of its US\$400 million aid portfolio in the global health sector annually, while South Africa gave and pledged over US\$30 million in aid through health-related multilaterals (Tytel and Callahan 2012). Among Southern donors, China and India have given the most aid for health. Though aid makes up a small portion of China is estimated to be among the top 10 bilateral global health donors to Africa (Huang 2013). In recent years China's contributions to health in Africa have been growing more than 20% year-over-year. By some estimates, China provided more than US\$5 billion in aid on more than 500 health assistance projects between 2000 and 2012 (Shajalal et al. 2017). Most of their global

health aid is spent on medical teams, malaria treatment, health infrastructure, and human resources for health.

Since 2009, India has committed at least \$100 million to bilateral health projects in nearly twenty countries in Africa and Southeast Asia. Like China, much of India's health assistance takes the form of health infrastructure development. India has helped construct or improve the hospitals and clinics of many of its immediate neighbors as well as countries further afield, namely in Africa. Such investments include establishing medical colleges and providing faculty support to help run these new institutions. India has also shown strong interest in leveraging areas in which it maintains a comparative advantage, such as information and communications technology. For example, hospitals and universities in Western Africa are networked together with counterparts in India to facilitate an information exchange of best practices through the Pan-African e-Network.

### **Data and Analysis**

While Southern donors are not a huge presence in global health yet, they are a growing presence. In order to understand the coordination practices of Southern donors, I return to the same interview data used in the Nigeria and Zambia cases. I draw more heavily on those interviews I performed at the 2017 US PEPFAR Country Operational Planning conference in South Africa. At the conference, I interviewed key actors from

Zimbabwe, Haiti, Tanzania, Cameroon, Kenya, and Uganda, in addition to the Nigeria and Zambia interviews.

Respondents received no prompting regarding Southern donor participation, as interviews were about coordination at a broader level. The original purpose of the interviews was to understand coordination among DAC donors, and all conversations and comments about Southern donors emerged from respondents organically. This strategy is potentially limited in an important way. Since interview respondents were not specifically asked about Southern donors, their words may not reflect the entire picture. On the other hand, a positive consequence of this is that respondents were not primed to feel positively or negatively about Southern donors and their coordination. They simply spoke freely about their opinions, providing unbiased data with which I can analyze the actions of Southern donors' coordination.

Just as in the country case chapters, I used qualitative data analysis software NVivo to code the interview transcripts, primary documents, and secondary documents. I began analysis with positive searches for terms like "emerging donors," "newer" or "new donors," and negative search terms like "DAC" and "traditional donors" to look for comparisons. I complemented this with auto-searches for names of Southern donor countries to analyze the data. Finally, I reviewed these searches manually to cross-check their relevance. Using results from keyword searches and manual checks, I looked for

common themes among respondents' words. In the next section I present these themes and discuss them.

### **7.3 Do Southern Donors Coordinate their Aid?**

Three main themes about Southern donors' coordination emerged from interview data. First, respondents asserted that Southern donors do not engage in most within-country coordination. Second, I found that traditional aid coordination is not a priority for Southern donors. After finding this, I wanted to know if respondents had any idea of why traditional aid coordination is not prioritized by Southern donors, and found that coordination is about norms, and Southern donors do not share this normative belief. The following sections expand on these three themes.

#### **7.3.1 Southern Donors Do Not Engage Most Within-Country Coordination**

I find that Southern donors do not engage with the typical forms of health coordination within recipient countries. When respondents thought about coordination and Southern donors, they framed their words in terms of absence and exclusion. When interviewed in South Africa, one Haitian government representative noted that "Brazil is doing a lot of work, but not on the larger coordination committees."<sup>8</sup> This theme was persistent. A Zimbabwean CSO representative similarly stated that "African partners are

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<sup>8</sup> Interview 26, 18 April 2017

not part of coordination, but help us deal with Western donors.”<sup>9</sup> Southern donors were not on the Global Fund Country Coordinating Mechanisms (CCM), which are consistently one of the largest bodies coordinating health aid within a recipient country.

When it comes to health aid, Southern donors tend to “go it alone” – preferring to work directly with the recipient government. A Haitian CSO representative highlighted how Brazil operated separately from other donors, saying “we have three great partners: USAID, CDC, and Global Fund. Also, France and Canadian cooperation. Also, Brazil, but they do not work with these others. We have a great work to coordinate when these different partners come alone.”<sup>10</sup> This theme of Southern donors working in very separate areas than traditional donors was recurring. Along these lines, a Zambian Ministry of Health official commented on how Southern donors took on different tasks in the health sector saying, “China and India are replacing Western donors in infrastructure.”<sup>11</sup> Southern donors went to the Ministry of Health to ask what they needed, and Zambian officials were clear that traditional donors did not want to fund some things that they needed, like health infrastructure, and that they wanted Southern donors to take this area on.

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<sup>9</sup> Interview 10, 20 April 2017

<sup>10</sup> Interview 25, 20 April 2017

<sup>11</sup> Interview 30, 23 April 2017

When Southern donors did engage in coordination, it was in different forms than traditional donors. Just as the literature notes, Southern donors appear to have a preference for triangular cooperation agreements – coordination agreements generally involving one traditional DAC donor and one non-DAC donor coming together for projects in one or more recipient countries. When discussing China, one USAID official said that China is not a part of international working groups. Instead, she said, “We form our own 1-on-1 dialogue.”<sup>12</sup> Work by Manning (2006) indicates that this push for triangular cooperation may be coming. It should be noted that Japan has encouraged Malaysia, Thailand, and other Asian countries to provide expertise to Africa with Japanese finance, a creative piece of ‘triangular co-operation’. But, as noted earlier, these one-off coordinated projects do not do much to address the problems associated with donor proliferation.

### **7.3.2 Southern Donors Do Not Prioritize Coordination**

Why is it that Southern donors do not coordinate? Respondents’ assertion was that non-DAC donors have no inherent desire to coordinate. One US Official noted that “China doesn’t want to join the [Tanzanian] Country Coordinating Mechanism.”<sup>13</sup> The Country Coordinating Mechanism (CCM) is a tool developed by the Global Fund for HIV/AIDS and tuberculosis. This respondent expressed frustration that despite the fact

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<sup>12</sup> Interview 44, 21 April 2017

<sup>13</sup> Interview 90, 23 April 2017



that China is an increasingly important presence in Tanzania's health sector, Chinese officials seemed to have no desire to step into a donor collective.

Some respondents suggested that new donors put other priorities ahead of coordination. For example, when discussing China's impact, a high-ranking UNAIDS Official in Nigeria commented that "coordination means putting the problem ahead of your country needs," but "they are here for opportunities, and positive change is a consequence sometimes."<sup>14</sup> This lines up with what other scholars have found about motivations of Southern donors. While the ability to be agile and opportunistic with aid is something scholars have noted for all donors, this may be particularly true for Southern donors (Glennie 2011b; Rowlands 2012).

Coordination may be antithetical to these goals, because coordination is costly for donors (Bourguignon and Platteau 2015). Because of strategic political, economic, and security interests, the main shortcoming of aid coordination for donor governments would be the loss of aid agility – when they commit to coordinate they lose the unimpeded ability to pursue state-centric objectives through aid programs (Bourguignon and Platteau 2015). We know that all donors are hesitant to coordinate if they are asked to give up such benefits (Bourguignon and Platteau 2015; Knack and Smets 2013; Lawson 2010).

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<sup>14</sup> Interview 20, 1 July 2016

However, DAC prioritize working in a coordinated way in theory, if not always in practice. Coordination itself is thought to be a positive end, not simply a means to the end of more effective aid, and coordination is built into the charters and the work that they do. As a Haitian government official noted, “coordination is of high priority to the Western donors, especially PEPFAR and Global Fund.”<sup>15</sup> However, for Southern donors, the same opportunity-oriented mindset that drives the growth of their aid programs may be driving their coordination preferences. A CDC Zambia official agreed - “Some of these countries common with a lot of political interests. Even us – at HQ level we need to respond to our leadership and our Congress and keep them happy. We know this, but they’ve come to understand that we work in a global structure – that coordination is important.”<sup>16</sup>

### **7.3.3 Coordination is a Norm That Southern Donors Do Not Share**

Since coordination is costly for all donors, how did respondents reconcile the desire of DAC donors to coordinate with the lack of interest in coordination by Southern donors? Respondents identified at least one reason that Southern donors may not be interested in coordination, expressing the view that these new donors are not part of the coordination framework established by DAC donors. For example, a Haitian CSO representative said, “Jamaica helps us, but they are not important enough to be at

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<sup>15</sup> Interview 9, 18 April 2017

<sup>16</sup> Interview 12, 20 April 2017

coordination meetings.”<sup>17</sup> A U.S. PEPFAR official expressed some frustration at the differences in expectations for Southern donors when compared with other donors, commenting that “[U.S. Global AIDS Coordinator and Ambassador-at-Large Deborah Birx] expects us to share everything, but this is not true for new donors.”<sup>18</sup>

As this respondent identified, coordination is both a best practice and a normative belief for DAC donors. Coordination has been a priority of DAC since the beginning, and the committee was created as a way to bring donors together to share information and lessons. The idea that donors coming together would improve aid effectiveness shifted from a global focus to a within-country focus during a series of high-level fora held from 2003-2011 formed the cornerstone of coordination best practices (Nunnenkamp, Öhler, and Thiele 2013; Rafiei 2011). This drive to coordinate by traditional donors was evident to some recipients. When I asked directed about Southern donors, a Zambian National HIV/AIDS Council official noted that “Of course - coordination is of high priority to some donors. Especially PEPFAR and the Global Fund. But some of these others are less keen.”<sup>19</sup>

A couple of the interview respondents speculated that Southern donors did not prioritize coordination because coordination is often challenging, expensive, and

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<sup>17</sup> Interview 62, 8 June 2017

<sup>18</sup> Interview 42, 10 July 2016

<sup>19</sup> Interview 40, 7 July 2017

unrecognized. A US CDC official noted that little recognition comes from good coordination – “good coordination is behind the scenes work– branding becomes really complex, you create regulations and guidelines, you pay for documents. These countries are just trying to get more value for their government.”<sup>20</sup> The respondent from the Zambian NAC representative was exasperated, saying “They don’t show up! You know? They know they will have to pay. They just don’t want to commit the funds to this kind of work, especially some of those small donors like South Africa.”<sup>21</sup>

## **7.4 Conclusion**

Southern donors are a growing presence in aid for health, as they are in every area of foreign aid. While non-DAC donors face increasing scrutiny from academics and practitioners, there is still much to be learned about the coordination practices of Southern donors. In this chapter, I answer two basic questions regarding Southern donors’ coordination. First, do Southern donors coordinate? Second, why or why not?

Interview respondents – elite traditional donor, recipient government, and CSO representatives – agreed that Southern donors do not coordinate very much. Outside triangular cooperation initiatives (some of which are driven by DAC donors), there is not much participation by Southern donors in the coordination initiatives for health and

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<sup>20</sup> Interview 12, 20 April 2017

<sup>21</sup> Interview 40, 7 July 2017

HIV/AIDS. Respondents asserted that new donors do not coordinate because they do not prioritize coordination.

What respondents did not talk about were bureaucratic setups of Southern donors. The Constrained Coordination argument of the larger dissertation posits that strategic political and economic interests matter, and that the bureaucratic structures that governments use to deliver aid shape coordination as well. Respondents confirmed that Southern donors prioritize “self-interested” opportunities over purely charitable aid. However, no respondent reflected on the potential impact of bureaucracy. It is possible that these donors are not yet developed enough institutionally to engage in coordination. Unlike DAC-like donors and Arab donors, Southern donors have very new (or sometimes non-existent) international development agencies. The novelty of Southern donors’ aid practices may be a key factor explaining their ability or willingness to coordinate.

For Southern donors, coordination is not happening, and it may not be on the horizon. If DAC donors are concerned with the coordination habits of Southern donors, they might start by simply giving Southern donors a seat at the table in discussions on best practices in aid delivery. This has been happening at the global level, but at the recipient country level, it appears there has been a lack of invitations to Southern donors in addition to a potential lack of desire. This chapter is just a first step in understanding this important aspect of Southern donor behavior. It is clear that we do not know

enough about coordination of all non-DAC donors, particularly Southern donors. As the broader aid delivery field has done, research on coordination should broaden past the lens of traditional DAC-donors, particularly as non-DAC donors like China and India continue to garner more influence and give more aid.

## **8. Conclusion**

This dissertation explored the puzzle of donor coordination. I find that a donor government's strategic interests have a significant impact on whether its aid agency will coordinate within recipient countries. Similarly, when a recipient is strategic to a large number of countries, donors will not be well coordinated. Second, I find that aid agencies with greater levels of autonomy from their home governments coordinate more. And finally, I find that these effects amplify one another – a high autonomy agency working in a low priority country coordinates more than any other combination of strategic interests and autonomy. The rest of this conclusion reviews the findings of the dissertation, considers alternative hypotheses that may explain the results, comments on the theoretical contributions of this work, addresses the various policy implications that arise as a result of these findings, and lays out avenues for future research.

### ***8.1 Overview of the Constrained Coordination Findings***

#### **8.1.1 Strategic Interests and Coordination**

Across both the quantitative and qualitative portions of the dissertation, I find that donor agencies coordinate aid less in countries that are strategically important to their governments. Furthermore, recipient countries that are highly strategic to many donors experience less aid coordination. There are specific parts of strategic interest that

have particularly strong or persistent effects on donor coordination. In particular, the regression results in Chapter 4 show that trade is always negatively associated with donor coordination – the greater the volume of trade between a donor and a recipient, the less that donor coordinates their aid dollars in that recipient country. Donors are also less likely to coordinate in Oil Producing recipients or recipients that are highly aligned with them politically or ideologically (as measured by UN Voting). Finally, aid agencies coordinate more in countries that are far away and have good governance. This result aligns closely with Bermeo's (2015) findings that donors send more aid to states with poor governance that are nearby to lessen spillovers to themselves.

The results from the quantitative portion are well complemented by the qualitative case studies. Nigeria is a highly strategic country to many donors, as Nigeria's HIV/AIDS response matured, there has been an explosion of coordination activity. However, key stakeholders report that all their work on coordination does not make them feel more coordinated or lead to better outcomes. Instead, respondents in Nigeria report feeling that the HIV response is fragmented, and that has produces even more administrative burden and even less clarity, frustrating everyone involved.

Conversely, in the Zambian case I presented the example of a recipient that is not highly strategic valuable to many donor governments. Focusing on the Zambia case can help us understand that in a low priority recipient country – that is, aid recipients that are of little political, economic, and security priority to donors – donor coordination has



room to flourish. Zambia had a few small but highly committed donor agencies that were very active in pushing for coordination, in particular Sweden's Sida – which is highly autonomous and in favor of coordination. This reality allowed for the creation of a basket fund – a pooled fund of donor money and one of the most difficult forms of coordination – to operate in the health sector in Zambia before the 2009 corruption scandal, and the rekindling of coordination activity after the effects of the scandal died down.

### **8.1.2 Aid Agency Autonomy and Coordination**

Donor agencies with high levels of autonomy coordinate more than donor agencies with low levels of autonomy, and this result is strong, positive, and significant. These results are well aligned with what Martinez (2015) and Honig (2015) find in their studies on autonomy in aid agencies – that aid given through agencies with greater autonomy is better targeted for development. In the deconstructed results, policy autonomy (government control by specifying ex-ante rules, standards, and norms) and interventional autonomy (freedom from government control by the means of reporting requirements, evaluation and audition enforced by using sanctions or direct interventions) were most important in explaining coordination outcomes.

In Nigeria, the United States' PEPFAR, the Global Fund, and Japan's JICA – some of Nigeria's largest health donors – were very resistant to work with other donors on

intensive, despite long-run efforts by United Kingdom's DFID and CIDA (Canada's former aid agency) to engage them. This finding is also consistent with the Constrained Coordination argument, as the US agencies and JICA have fairly inflexible bureaucratic structures when compared to the UK's DFID or CIDA.

This result is also reinforced by the case studies. In Zambia, more autonomous donors like Sweden, Norway, and the United Kingdom in the Sector Wide Basket Fund, an intensive financial coordination mechanism. These autonomous donors managed to involve less coordination-friendly donors like the United States in the sector wide approach. Just as predicted by the Constrained Coordination argument, autonomous donor agencies in both Nigeria and Zambia were more engaged in coordination than constrained aid agencies.

### **8.1.3 When Autonomy and Strategic Interests Meet**

The Constrained Coordination theory predicts that the intersection of agency autonomy and strategic interests should lead to the most coordination – that is, they should have a greater effect together than they do alone. Indeed, I find that a high autonomy aid agency working in a recipient country that is not very strategic will coordinate most often. In the quantitative analyses, I found that the marginal effect on donor coordination of an aid agency's autonomy depends on strategic value of the recipient country, and vice versa. In plain terms, the lower the autonomy of an aid

agency, the greater (more negative) the effect of strategic interests on coordination is. Conversely, the lower the level of strategic value of a recipient, the greater (more positive) the effect of agency autonomy is on donor coordination.

#### **8.1.4 South-South Donors' Coordination**

All of the findings reviewed thus far are for traditional OECD donors, however Southern donors have a growing presence in foreign aid – including health aid. While non-DAC donors face increasing scrutiny from academics and practitioners, we know little about their donor coordination practices. In Chapter 7, I explored South-South Donors' coordination. I find that South-South donors not engaged in the coordination mechanisms of traditional donors, and that – perhaps more importantly – coordination may not be on the horizon for this group because (1) they are not often invited to coordination forums, (2) they do not value donor coordination in the way that traditional donors practice it, and/or (3) do not have well developed aid institutions to engage in aid.

#### **8.2 Alternative Hypotheses**

In the introductory chapter, I highlighted some alternative explanations for donors' coordination patterns – good governance and path dependency. I discuss each of these hypotheses below.

### **8.2.1 Good Governance**

One alternative explanation is that good governance is the main influence on coordination. When a government is strong, or things are generally working well within a recipient country, donors will coordinate. This does not appear to be true. While governance is definitely significant in the regression results, the measures for strategic interests and aid agency autonomy are significant with and without governance in the regression. Furthermore, there is no substantive change to the effect sizes.

In the qualitative portions of the research, interview respondents do not comment on the quality of the recipient country governance with regards to coordination. While donor agency representatives are frustrated with coordination in Nigeria – and sometimes with the Nigerian government – they mostly complained about the frequency of meetings and the lack of progress. Similarly, while respondents generally felt positively about coordination in Zambia, they did not comment on the quality of the Zambian government as helpful in fostering coordination.

### **8.2.2 Path Dependency**

Another hypothesis is that donor coordination is path dependent – that is, that donors coordinate in some contexts because they “learn by doing.” While the quantitative portion of the analysis cannot rule out path dependence, the qualitative portion may offer some insights. Despite differing success with coordination, traditional, OECD donors in both Nigeria and Zambia seemed to view coordination activities as a

forgone conclusion. Perhaps path dependence can explain donors continued commitment to creating and participating in donor coordination meetings and document development, but it cannot explain why coordination is successful in Zambia versus Nigeria.

For example, donors in Zambia and in Nigeria attempted to develop a joint financing agreement. In Zambia, donors were successful. In Nigeria, despite years of work by the UK's DFID, Canada's CID, and the World Bank, donors were never able to get a joint financing agreement off the ground. Similarly, Zambia's donors used a national health Sector Wide Approach (SWAp) for many years, and despite state-level, multilateral funded SWAps that popped up at the state level in Nigeria, donors never had a major SWAp attempt. While path dependency may be able to explain donors' decisions to continually pursue coordination, it cannot explain why some contexts are better for coordination than others.

Finally, path dependency does not explain the coordination practices of South-South donors. Many of these donor's new aid agencies, or no aid agency at all. It seems impossible that Southern donors have the institutional memory on which to build path dependent tendencies.

### **8.3 Theoretical Significance**

This dissertation fills gaps in several different literatures. I discuss this study's contribution to each literature in turn.

#### **8.3.1 Contributions to the Strategic Interests Literature**

As I often note throughout the dissertation, there is a significant body of work that establishes the link between governments' strategic political, economic, and security aims and the way they allocate aid. This literature establishes that donor governments are not solely interested in development outcomes – instead, they strive to reach their strategic priorities. Various scholars have found that when there are significant strategic benefits to providing aid, aid becomes less effective.

This study is a unique addition to this literature as it uses the general framework of the literature to look at a new outcome – donor coordination. In my Constrained Coordination theory, I argue that the same strategic interests that cause donors to give aid in ineffective ways also cause donors to give aid in an uncoordinated manner. Indeed, I find this to be the case. These findings broaden the scope of what we know about strategic interests, in addition to opening the door for other avenues of research about the effect of strategic interests in foreign aid research.

### **8.3.2 Contributions to the Agency Autonomy Literature**

This study also contributes to the small and growing literature on aid agency autonomy. Few studies have taken this type in depth look at aid agency structures in such a granular way. To my knowledge no other research has split out the effects of different types of autonomy on any outcome. Furthermore, no study has looked at the effect of autonomy on coordination until now. In this dissertation, I show that donor coordination within recipient countries is a function of the autonomy of aid agencies. In particular, institutional autonomy and policy autonomy have significant explanatory power. Future studies might consider using such a breakdown of autonomy, or looking at the effects of aid agency autonomy on other outcomes.

### **8.3.3 Contributions to the Donor Coordination Literatures**

This dissertation also speaks to the literature on donor coordination. Until now, donor coordination has largely focused on two issues. A large portion of the literature is quantitative work focuses on donor specialization – attempting to understand when donors divide a recipient country or region up, and each tackle the given problem in their designated area v. This research is useful, but it neglects the fact that most traditional OECD donors have projects in every country. Another large portion of the donor coordination literature is qualitative work attempts to capture donors' uncoordinated aid delivery and its consequences, but gives few solid explanations for why donors fail to coordinate.

In this dissertation, I address both of these problems. First, I move beyond quantitatively measuring donor specialization, and attempt to capture donor coordination within recipient countries. This allows for a broader quantitative picture of how donors coordinate their aid. I also capture donors' uncoordinated delivery, but through the lens of my Constrained Coordination theory I gain a level of explanatory power that has been missing in this literature thus far.

#### **8.3.4 Contributions to Literature in Global Health and HIV/AIDS Governance**

This work also contributes to the literature about global health and HIV/AIDS. While there has been wide recognition of the negative consequences of donor proliferation in the global health literature, there is fairly little written about donor coordination. This dissertation fills that gap. The Nigeria case, the Zambia case and the non-DAC donors study presented in Chapter 5 through 7, offer targeted, in depth look at donor coordination for health and HIV/AIDS. These empirical examinations offer some unique insights into the challenges preventing donor coordination – for example, the role that strategic interests play in preventing donors for taking up certain important causes like bilateral donors' hesitation to work with key populations and family planning Nigeria. Additionally, the findings about agency autonomy may speak to potential, under researched avenues for coordination – like respondents' discussions of



the deals they make to divide up different portions of a project into sections more manageable given their structures and mandates.

### **8.3.5 Contributions to the Literature on Non-DAC Donors**

Finally, this dissertation adds a new line a research to the literature on non-DAC donors – and the literature on Southern donors in particular. As this body of work grows, scholars are learning more about the volumes, modalities, recipients, and projects, of non-DAC aid. Some scholars have written about how South-South donors and other non-DAC donors engage in Triangular cooperation. But as the size of Southern aid programs increases relative to the aid programs of traditional DAC donors, and as concerns about donor proliferation continue to grow, it is important to understand how Southern donors fit into the current landscape within country donor coordination. Chapter 7 takes the first leap in addressing this question by examining Southern donors’ coordination in the context of my Constrained Coordination theory. These findings add to the growing understanding of this group of donors.

### **8.4 Policy Implications**

Given the findings of this dissertation research, there are several, notable areas of policy implications that may benefit recipient country representatives, those within donor agencies, and other foreign aid stakeholders.

### **8.4.1 Structural Autonomy May Be Shrinking – But That’s Okay**

Based on this study’s findings, proponents of coordination may be alarmed given recent changes to several of the world’s top OECD aid agencies. In the last ten years, Australia upgraded its former aid agency – AusAid – to an executive agency in 2011, only to completely absorb the agency into the Ministry of Foreign Affairs two years later. Similarly, Canada folded its formerly autonomous aid agency – CIDA – into its Ministry of foreign affairs in 2013. These absorptions lowered the overall autonomy for Canada and Australia’s aid bureaucracies. The United Kingdom and Sweden’s aid agencies – DFID and Sida – also experienced internal changes that lowered their autonomy. In the United States, there has been a simmering back and forth about the foreign aid budget and the goals of foreign assistance between President Donald Trump and high-profile legislators.<sup>1</sup>

What do these trends mean for donor coordination? The results of this dissertation suggest that these sorts of shifts may not have a large effect on donor coordination. First, institutional location is a part of structural autonomy. In the quantitative analyses, structural autonomy was not significant determinant of donor coordination. This implies that we might not be so concerned about the institutional changes that Canada and Australia have made in the past few years. Recipient

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<sup>1</sup> [Reuters, 2018](#)

governments, civil society, aid agencies, and other stakeholders interested in increasing the amount of donor coordination should look for agencies with high levels of policy and interventional autonomy. These forms of autonomy appear to be the key areas through which aid agencies can insulate themselves from the political goals of their home governments.

#### **8.4.2 Recipient Governments Can Cherry-Pick Amenable Coordinators**

A major take away from this dissertation is that there are externally observable factors – namely donor governments’ strategic interest in the recipient country and aid agency autonomy – that are strong predictors of donor coordination. Stakeholders that are interested in fostering going to coronation can use these findings to target coordination efforts towards autonomous aid agencies. Similarly, when working in recipient countries that are not of significant strategic value to donor governments, stakeholders may want to target donor agencies that are not very autonomous as these aid agencies may be freer to engage in coordination in these low priority countries.

Indeed, as I conducted interviews with respondents, many expressed interest in knowing the outcome of my work. This kind of inside look into the way that eight agencies function and make decisions about coordination maybe particularly useful to those working in recipient government institutions that try to foster daughter formation, like the National Agency for Control of HIV/AIDS in Nigeria.

### **8.4.3 Traditional Donors Should Offer Southern Donors a Seat at the Table**

As Southern donors enter the aid landscape at increasingly high numbers, concerns about donor proliferation are logical. While some respondents commented that southern donors “just don’t want to coordinate,” others noted that Southern donors were not getting a seat at the table in full large-scale, traditional donors coordination mechanisms. But, we do not yet know the long-term coordination behavior of Southern aid agencies. These aid agencies are younger than their DAC donor counterparts, and although the language surrounding Southern aid is explicitly more about a quid pro quo process of aid allocation, Southern donors may be willing to coordinate if given a seat at the table. While South-South donors may be wary of traditional donors calls for coordination, the potential payoffs of avoiding increased administrative burden, duplication, cross purposes, and other costs of proliferation are worth the attempt.

### **8.4.4 Constrained Donors Are Not Willing/Able Coordinate on Some Issues, But Will Coordinate on Other Issues**

The findings of this dissertation have implications for the unique, specialized kind of coordination that other research has not yet captured. Though the quantitative analyses show that low autonomy donor agencies coordinate less than high autonomy agencies, the qualitative work fleshes out the circumstances under which low autonomy aid agencies do coordinate. Respondents from low autonomy aid agencies note that sometimes restrictions on how they are able spend their budgets make it a real challenge

to do some parts of projects. However, given the right coordination partner, a constrained donor is able to coordinate and provide other complementary projects. For example, if it is easy for Japan's JICA to build the hospital infrastructure, but a challenge for JICA to pay medical personnel to service that hospital, JICA built the hospital in and team up the United States' USAID to supply the services after infrastructure is built. These are the kinds of coordination opportunities that recipient governments, high autonomy donors, and other stakeholders should look for.

## **8.5 Conclusion**

This chapter reviewed the key findings of the dissertation. In this study, I addressed the puzzle of donor coordination – that donor agencies say they want to coordinate, but that they do not coordinate that often. In order to address this puzzle, I created novel theory of donor coordination, called Constrained Coordination, in which I argue that the strategic interests of donor governments vis-à-vis recipient countries, and the autonomy that aid agencies – the bureaucracies that deliver aid on behalf of governments – have from their home governments shape donor coordination. Using a mixed-methods research design to test this theory, I find both of these assertions to be true for traditional, OECD donors. I find that newer, South-South donors do not participate in the coordination mechanisms that OECD donors have set up for the same reasons – because their aid is also strategic and their aid agencies (where they exist) are

also constrained. Finally, I find that Southern donors are often left out of the mix when traditional, OECD donors engage in coordination.

### **8.5.1 Avenues for Future Research**

Despite the questions I answer about donor coordination in this dissertation, this study opens up a variety of avenues for inquiry. Future iterations of this work that take on additional case studies of donors across a broad range of strategic interests levels would be interesting. Zambia and Nigeria are wonderful choices as low and high autonomy recipients, but it would be very useful to understand donor coordination across a variety of contexts – particularly in countries that are not at the extremes of the high and low strategic interests rankings in order to push the boundaries of the Constrained Coordination theory.

Similarly, future work that digs deeper into the nuanced ideas about autonomy is very necessary. In particular, a more detailed examination of the impacts of interventional autonomy and policy autonomy on donor coordination (and other outcomes) is needed. These forms of autonomy have the strongest effects on donor coordination, but understanding why and how they affect donor coordination is important.

The work about South-South donors' coordination presented in this dissertation is just the beginning. This study broke new ground by exploring the coordination habits

of this increasingly important group of donors through the lens of recipient governments and traditional donors. The next step in this work is to go to Southern donor agencies and institutions directly – what do they say about donor coordination, if they are thinking about coordination at all?

This work is very important because it has significant impacts on the lives of real people around the world. The opening paragraphs of this dissertation highlighted a clear example of the tangible effects of coordination failure on people’s lives. When donors fail to work together, people miss doses of life-preserving drugs, contract diseases that are preventable, experience mutations from a treatable disease to an untreatable one, and precious dollars that could be spent on outcomes go to waste. This dissertation on donor coordination addresses research questions that help us to understand why donors fail to coordinate in order to prevent these types of outcomes. More research is needed to address this important topic.

## Appendix A: Sources of Strategic Interests & Controls

Table A.24: Measures of Strategic Interests of Donor Governments

Variable	Source
Trade	Correlates of War Project Trade
Colonial Status Since 1900	Centre d'Études Prospectives et d'Informations Internationales (CEPII)
Oil Production	OECD Energy
UN Voting Patterns	United Nations General Assembly Voting Data (Erik Voeten)
Distance	Centre d'Études Prospectives et d'Informations Internationales (CEPII)
War	Correlates of War Interstate War
<b>Controls</b>	
Variable	Source
Governance	World Bank World Governance Indicators
GDP per capita	World Bank World Development Indicators
Population	World Bank World Development Indicators
Governance	World Bank World Development Indicators
Democracy	Freedom House



## **Appendix B: Constructing the Aid Agency Autonomy Index**

Autonomy is the discretion or freedom an agency has over foreign aid policy.

This is measured in terms of the control mechanisms a government has in place with more control mechanisms meaning less autonomy. Agency websites and documents are the primary source of data for each agency. Some variables require information from the agency's statute or referenced information from in OECD donor country peer-reviews.

The sources of all information for data are listed in this document.

Donor Government – Donor Agency relationship: This original dataset is being built using Martinez (2013)'s framework. Aid agencies vary in the amount of autonomy they have from their donor governments. This dataset is intended to capture that variation.

**Table B.25: Variables and Categories in Autonomy Index**

Variable	Category	Description
Audits	Interventional Autonomy	This variable is coded with a (0) if the government conducts independent audits on the agency and with a (1) otherwise.
Budget	Interventional Autonomy	The ratio of budget appropriations to anticipated or requested budget needs. (#)
For Cause	Interventional Autonomy	This variable is coded with a (1) if the statute of the agency states that members of the commission or board or the agency head may only be removed for "neglect of duty," "malfeasance in office," "inefficiency," or similar language; and with a (0) otherwise.
Legislature	Interventional Autonomy	This variable is coded with a (0) if the agency is required to testify before the government and with a (1) otherwise.
Press Releases	Interventional Autonomy	This variable is coded with a (0) if the agency releases press/news to the public/citizens and with a (1) otherwise.
Reports	Interventional Autonomy	This variable is coded with a (0) if the agency is required to conduct reviews/evaluations and submit written reports to the government and with a (1) otherwise.
Veto Power	Interventional Autonomy	This variable is coded with a (0) if the government has the power to veto aid allocation decisions made by the agency and with a (1) otherwise.
Purpose	Policy Autonomy	The general purpose of the agency. Agencies either have a development focus, coded with a (1), or focus broadly on foreign policy, coded with a (0).
Expertise	Policy Autonomy	This variable is coded with a (1) if the agency has expertise or experience requirements for political appointments in its statute and with a (0) otherwise.
Goals	Policy Autonomy	This variable is coded with a (1) if the agency describes how it determined its goals for development and with a (0) otherwise.
National Interest	Policy Autonomy	This variable is coded with a (0) if the agency lists the national interest as one of the goals of the agency and with a (1) otherwise.

Variable	Category	Description
National Interest 1	Policy Autonomy	If National Interest is coded (0), this variable is coded with a (0) if the agency lists the national interest as its first priority, and with a (1) otherwise.
Organizations	Policy Autonomy	This variable is coded with a (1) if the agency describes how it determined the organizations it partners with for the implementation and with a (0) otherwise.
Recipients	Policy Autonomy	This variable is coded with a (1) if the agency describes how it determined the countries it allocates development aid and with a (0) otherwise.
Research	Policy Autonomy	This variable is coded with a (1) if the agency has a dedicated staff for research and information gathering for the purpose of developing future policy and with a (0) otherwise.
Appointments	Structural Autonomy	This variable is coded with a (0) if the government makes personnel appointments to the agency and with a (1) otherwise.
Board	Structural Autonomy	This variable is coded with a (0) if the agency has a supervisory board or commission and with a (1) otherwise.
Board Appointments	Structural Autonomy	If Board is coded with a (0) if the government makes personnel appointments to the board or commission and with a (1) otherwise.
Executive	Structural Autonomy	This variable is coded with a (1) if the agency is an executive department or a component of an executive department and (0) otherwise.
Fixed Term	Structural Autonomy	This variable is coded with a (1) if the agency's statute specifies a fixed term for agency heads or members of the board and with a (0) otherwise.
Location	Structural Autonomy	This variable describes the location of the agency within the government. (1) if the agency is a program within a subordinate agency. (2) if the agency is a subordinate agency within a cabinet/ministerial government institution. (3) if the agency is a cabinet/ministerial

Variable	Category	Description
		government institution. (4) if the agency is a separate government agency with administrative autonomy from a cabinet/ministerial government institution. (5) if the agency is a quasi-government organization. (9) if the agency is in another location not listed above.
Positions	Structural Autonomy	This variable lists which positions are politically appointed. (2) The head of the agency is the only political appointment. (1) if the top officials within the agency are politically appointed, but the rest of the employees are civil service. (0) if political appointments extend below ministers and state secretaries to heads of departments and more.

## Appendix C: Interview Guide

### Basic Relevant Work History:

1. Current Agency/Department
2. Prior agencies/departments

### Semi-structured interview questions:

#### Desired Outcomes

1. What are the goals discussed when considering the importance of coordination?

### Emphasis on Coordination:

1. In your experience at this agency, how much is coordination with other donors emphasized?
2. In your experiences working in this country, how much emphasis does the donor community place on coordination?
3. In your experiences, which countries and agencies coordinate most frequently? (Follow up: Why do you think that is?)
4. How much emphasis does the recipient government place on coordination among donors? (Follow up: Which agencies are the most active/vocal? Why?)

### Process

1. In your experience at this agency, what are the major obstacles to coordination in this agency?
2. What is the basic process for approval for coordination with another donor(s)?
3. In your experience, how often do plans to coordinate fall through or fail? (For your agency? In general?)
4. What domestic (donor country) considerations come into play at this agency when considering coordination?
5. What is the role of the recipient government with regards to coordination?

### Activities Comprising Coordination:

1. What are the main activities that comprise successful coordination?
2. In your experience, what are the main activities that comprise coordination? (For your agency? In general?)
3. In your experience, what types of projects are considered as having potential to work with other donors? (For your agency? In general?)

Opinion about Coordination

1. In your personal opinion, is more coordination among donors necessary?
2. Regarding the process of initiating coordinated projects, how could this agency improve?
3. Do you have any other important things to share regarding coordination among foreign aid donors?

## Appendix D: Interviewee Organization List

Table D.26: Interviewee Organization List

Country	Organization	RG/Bi/Mult/NGO
Botswana	The Botswana Network on Ethics Law and HIV (Bonela)	NGO
Cameroon	Confidential	NGO
Haiti	Anonymous CSO	NGO
Haiti	Caribbean Regional Network of Persons Living with HIV & AIDS (CRN+)	NGO
Haiti	FOSREF	NGO
Haiti	SEROvie	NGO
Haiti	Ministry of Health	RG
Haiti	National AIDS Control Program	RG
Kenya	Kenya Legal and Ethical Issues Network on HIV and AIDS (KELIN)	NGO
Kenya	NEPHAK	NGO
Lesotho	The People's Matrix Association (Matrix), formerly Matrix Support Group	NGO
Mozambique	MATRAM-Mozambique Treatment Access Movement	NGO
Nigeria	DFID	BI
Nigeria	DFID Nigeria	BI
Nigeria	DFID Nigeria	BI
Nigeria	GIZ Nigeria	BI
Nigeria	JICA	BI
Nigeria	PEPFAR	BI
Nigeria	PEPFAR	BI
Nigeria	PEPFAR	BI
Nigeria	PEPFAR	BI
Nigeria	PEPFAR	BI
Nigeria	Global Fund	MULTI
Nigeria	Global Fund	MULTI

<b>Country</b>	<b>Organization</b>	<b>RG/Bi/Mult/NGO</b>
Nigeria	UNAIDS	MULTI
Nigeria	UNAIDS	MULTI
Nigeria	UNFPA	MULTI
Nigeria	UNFPA	MULTI
Nigeria	World Bank	MULTI
Nigeria	Coalition for Health Promotion and Social Development (HEPS Uganda)	NGO
Nigeria	Communal Care Centre for HIV/AIDS	NGO
Nigeria	Community Health Support and Empowerment Initiative (CHSEI)	NGO
Nigeria	International Community of Women Living with HIV Eastern Africa (ICWEA)	NGO
Nigeria	International HIV/AIDS Alliance (formerly, Athena)	NGO
Nigeria	Ishtar MSM	NGO
Nigeria	ITPC West Africa	NGO
Nigeria	National Community of women living with HIV in Uganda (NACWOLA)	NGO
Nigeria	National Network of Positive Women Ethiopians	NGO
Nigeria	National Network of Positive Women Nigerians	NGO
Nigeria	Network of Key-Pop Organizations in Nigeria	NGO
Nigeria	Network of Networks of HIV Positives in Nigeria	NGO
Nigeria	Nigeria Legal and Ethical Issues Network on HIV and AIDS	NGO
Nigeria	Nigerian Network of People Living with HIV/AIDS	NGO
Nigeria	RIP+	NGO
Nigeria	Society for Women and Children Living with HIV and AIDS in Nigeria	NGO
Nigeria	Clinton Global Health Initiative	PRIVATE
Nigeria	Ministry of Health	RG
Nigeria	Ministry of Health	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG



<b>Country</b>	<b>Organization</b>	<b>RG/Bi/Mult/NGO</b>
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
Nigeria	National Agency for the Control of HIV/AIDS (NACA)	RG
South Africa	Positive Women's Network	NGO
South Africa	South African National AIDS Council	NGO
South Africa	SisterLove	NGO
Tanzania	Commission for Human Rights and Good Governance	NGO
Tanzania	Community Health Education Services and Advocacy	NGO
Tanzania	Community Health Education Services and Advocacy (CHESA)	NGO
Tanzania	Community Oriented Development Action (CODATZ)	NGO
Tanzania	USEVYA DEVELOPMENT SOCIETY (UDESOS)	NGO
Tanzania	ZANGOC	NGO
Thailand	PT Foundation	NGO
Uganda	Love to Love Organization	NGO
Uganda	Sexual Minorities Uganda	NGO
Vietnam	Vietnam Network of People living with HIV	NGO
Zambia	DFID	BI
Zambia	DFID	BI
Zambia	GIZ	BI
Zambia	PEPFAR	BI
Zambia	PEPFAR	BI
Zambia	PEPFAR	BI
Zambia	PEPFAR	BI
Zambia	PEPFAR	BI
Zambia	Sida Zambia	BI

<b>Country</b>	<b>Organization</b>	<b>RG/Bi/Mult/NGO</b>
Zambia	Global Fund	MULTI
Zambia	UNAIDS	MULTI
Zambia	UNAIDS Zambia	MULTI
Zambia	UNDP Zambia	MULTI
Zambia	UNFPA	MULTI
Zambia	World Bank	MULTI
Zambia	African Young Positives Network	NGO
Zambia	CHESA	NGO
Zambia	Development Aid from People to People (DAPP)	NGO
Zambia	Grace Community Development and Education	NGO
Zambia	HINARI	NGO
Zambia	NZP+	NGO
Zambia	Kwasha Mukwenu	NGO
Zambia	UNC- Global Projects Zambia	NGO
Zambia	ZAMBART	NGO
Zambia	Zambia Network of People Living with HIV/AIDS	NGO
Zambia	Zambia Network of People Living with HIV/AIDS	NGO
Zambia	ZANARELA	NGO
Zambia	ZNAN	NGO
Zambia	Confidential	NGO
Zambia	Clinton Global Health Initiative - Zambia	PRIVATE
Zambia	Ministry of Health	RG
Zambia	Ministry of Health	RG
Zambia	Ministry of Health	RG
Zambia	NAC	RG
Zambia	NAC	RG
Zimbabwe	GALZ	NGO
Zimbabwe	Gays and Lesbians of Zimbabwe	NGO
Zimbabwe	Jointed Hands	NGO

<b>Country</b>	<b>Organization</b>	<b>RG/Bi/Mult/NGO</b>
Zimbabwe	Jointed Hands	NGO

## Appendix E: Sample Donors and Recipients

Table E.27: Recipients in Donor-Level Analyses

Afghanistan	Fiji	Mozambique	Turkey
Albania	Gabon	Myanmar	Turkmenistan
Algeria	Gambia	Namib	Tuvalu
Angola	Georgia	Nauru	Uganda
Antigua and Barbuda	Ghana	Nepal	Ukraine
Argentina	Grenada	Nicaragua	Uruguay
Armenia	Guatemala	Niger	Uzbekistan
Azerbaijan	Guinea	Nigeria	Vanuatu
Bangladesh	Guinea-Bissau	North Korea	Venezuela
Barbados	Guyana	Oman	Vietnam
Belarus	Haiti	Pakistan	Yemen
Belize	Honduras	Palau	Zambia
Benin	India	Panama	Zimbabwe
Bhutan	Indonesia	Papua New Guinea	
Bolivia	Iran	Paraguay	
Bosnia and Herzegovina	Iraq	Peru	
Botswana	Ivory Coast	Philippines	
Brazil	Jamaica	Rwanda	
Burkina Faso	Jordan	Saint Kitts and Nevis	
Burundi	Kazakhstan	Saint Lucia	
Cambodia	Kenya	Saint Vincent and the Grenadines	
Cameroon	Kiribati	Samoa	
		Sao Tome and	
Cape Verde	Kosovo	Principe	
Central African Republic	Kyrgyzstan	Saudi Arabia	
Chad	Laos	Senegal	
Chile	Lebanon	Serbia	
China	Lesotho	Seychelles	
Colombia	Liberia	Sierra Leone	
Comoros	Libya	Solomon Islands	
Congo	Macedonia	Somalia	
Costa Rica	Madagascar	South Africa	
Croatia	Malawi	South Sudan	
Cuba	Malaysia	Sri Lanka	
Democratic Republic of the			
Congo	Maldives	Sudan	
Djibouti	Mali	Suriname	
Dominica	Marshall Islands	Swaziland	

Dominican Republic  
East Timor  
Ecuador  
Egypt  
El Salvador  
Equatorial Guinea  
Eritrea  
Ethiopia

Mauritania  
Mauritius  
Mexico  
Micronesia  
Moldova  
Mongolia  
Montenegro  
Morocco

Syria  
Tajikistan  
Tanzania  
Thailand  
Togo  
Tonga  
Trinidad and Tobago  
Tunisia

**Table E.28: Recipients in Donor-Level Analyses**

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Afghanistan	Iraq	Suriname
Albania	Ivory Coast	Syria
Algeria	Jamaica	Tajikistan
Angola	Jordan	Tanzania
Antigua and Barbuda	Kazakhstan	Thailand
Argentina	Kenya	Togo
Armenia	Kiribati	Tonga
Azerbaijan	Kyrgyzstan	Trinidad and Tobago
Bangladesh	Laos	Tunisia
Barbados	Lebanon	Turkey
Belarus	Lesotho	Turkmenistan
Belize	Liberia	Tuvalu
Benin	Libya	Uganda
Bhutan	Madagascar	Ukraine
Bolivia	Malawi	Uruguay
Bosnia and Herzegovina	Malaysia	Uzbekistan
Botswana	Maldives	Vanuatu
Brazil	Mali	Venezuela
Burkina Faso	Marshall Islands	Vietnam
Burundi	Mauritania	Yemen
Cambodia	Mauritius	Zambia
Cameroon	Mexico	Zimbabwe
Central African Republic	Micronesia	
Chad	Moldova	
Chile	Mongolia	
China	Morocco	
Colombia	Mozambique	
Comoros	Myanmar	
Congo	Namibia	
Costa Rica	Nauru	
Croatia	Nepal	
Cuba	Nicaragua	
Democratic Republic of the Congo	Niger	
Djibouti	Nigeria	
Dominica	Oman	
Dominican Republic	Pakistan	
East Timor	Palau	
Ecuador	Panama	
Egypt	Papua New Guinea	
El Salvador	Paraguay	

Equatorial Guinea  
Eritrea  
Fiji  
Gabon  
Gambia  
  
Georgia  
Ghana  
Grenada  
Guatemala  
Guinea  
Guinea-Bissau  
Guyana  
Haiti  
Honduras  
India  
Indonesia  
Iran

Peru  
Philippines  
Rwanda  
Saint Kitts and Nevis  
Saint Lucia  
Saint Vincent and the  
Grenadines  
Samoa  
Sao Tome and Principe  
Saudi Arabia  
Senegal  
Seychelles  
Sierra Leone  
Solomon Islands  
Somalia  
South Africa  
Sri Lanka  
Sudan

**Table E.29: Recipients in Donor-Level Analyses**

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Australia	Iceland	Romania
Austria	Ireland	Russia
Azerbaijan	Israel	Slovakia
Belgium	Italy	Slovenia
Bulgaria	Japan	South Korea
Canada	Kazakhstan	Spain
Cyprus	Kuwait	Sweden
Czech Republic	Latvia	Switzerland
Denmark	Lithuania	Taiwan
East Timor	Luxembourg	Thailand
Estonia	Malta	Turkey
Finland	Netherlands	United Arab Emirates
France	New Zealand	United Kingdom
Germany	Norway	United States
Greece	Poland	
Hungary	Portugal	



## Appendix F: Descriptive Statistics

Table F.30: Donor-Level Descriptive Statistics

Outcomes					
Variable	N	Mean	SD	Min	Max
Share of Aid Coordinated	8171	0.13	0.25	0.00	1.00
Share of Projects Coordinated	8171	0.07	0.16	0.00	1.00
Autonomy					
Variable	N	Mean	SD	Min	Max
Autonomy	8171	0.67	0.12	0.43	0.82
Policy Autonomy	8171	0.79	0.14	0.38	1.00
Structural Autonomy	8171	0.90	0.22	0.57	1.29
Interventional Autonomy	8171	0.29	0.13	0.01	0.50
Strategic Interests					
Variable	N	Mean	SD	Min	Max
Total Trade	6479	3637.34	26871.40	0.00	655808.25
UN Agreement Index	6619	0.57	0.19	0.00	1.00
Colonial History	6652	0.09	0.29	0.00	1.00
Distance	7999	8337.19	3768.72	771.88	17836.17
Oil Production	7676	13693.74	37151.37	0.00	466295.44
War including Donor	6699	0.01	0.12	0.00	1.00
Composite Strategic 1*	6409	0.18	0.09	0.01	0.54
Composite Strategic 2*	6311	0.16	0.08	0.01	0.59
Controls					
Variable	N	Mean	SD	Min	Max
Population	7205	50033.48	178130.65	10	1397029
Life Expectancy	7730	66.51	7.99	44.57	79.83
GDP per Capita	7529	3668.48	3622.06	218.28	20333.94
Democracy	7922	4.01	1.72	1	7
Governance	7754	-0.54	0.62	-2.56	1.24
Composite Strategic 1 includes Trade, UN, Oil, Colony, Distance, and War involving the donor. Composite Strategic 2 includes the same measures, but adds population.					

## Appendix G: Additional Regression Results

Table G.31: Donor-Level Results, with Population in Composite Strategic

VARIABLES	(1) Base	(2) Base FE	(3) Govern.	(4) Govern FE	(5) All Controls
Autonomy	0.171*** (0.030)	0.175*** (0.031)	0.178*** (0.029)	0.181*** (0.030)	0.180*** (0.030)
Composite Strategic 2	-0.034*** (0.010)	-0.025** (0.010)	-0.036*** (0.010)	-0.028*** (0.010)	-0.008 (0.010)
Governance			0.048*** (0.007)	0.045*** (0.006)	0.011 (0.009)
Democracy					-0.008 (0.016)
GDP Per Capita					-0.322*** (0.051)
Life Expectancy					-0.033 (0.242)
Year Fixed Effects	No	Yes	No	Yes	Yes
Observations	5,976	5,976	5,891	5,891	5,722

Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table G.32: Donor-Level Interaction Results**

VARIABLES	Stata Generated Interaction		Constructed Interaction	
	(1) Share of Aid coordinated	(2) Interaction Margins 1	(1) Share of Aid coordinated	(2) Interaction Margins 2
Autonomy	-2.356 (2.026)	0.162*** (0.031)	-2.356 (2.026)	-0.320 (0.276)
Composite Strategic 1 (Inverted)	-2.225 (1.631)	0.123** (0.051)	-2.225 (1.631)	-0.360 (0.265)
Governance	-0.342*** (0.043)	0.046*** (0.006)	-0.342*** (0.043)	0.046*** (0.006)
Autonomy × Strategic 1 (Inverted)	4.343* (2.367)			
Constructed Interaction			4.343* (2.367)	0.482* (0.264)
Constant	-1.183 (1.409)		-1.183 (1.409)	
Year Fixed Effects	Yes	Yes	Yes	Yes
Observations	5,925	5,925	5,925	5,925

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table G.33: Recipient-Level Results, Autonomy & Strategic, Full Results**

VARIABLES	(1) Base	(2) Base. FE	(3) Govern.	(4) Govern. FE	(5) Pop. FE	(6) All Controls
Avg. Autonomy	0.107 (0.113)	0.085 (0.153)	0.105 (0.117)	0.078 (0.157)	0.106 (0.149)	0.050 (0.121)
Avg. Strategic Rank	-0.055*** (0.018)	-0.053*** (0.018)	-0.050*** (0.017)	-0.049*** (0.017)	-0.041** (0.020)	0.043* (0.022)
Governance			0.029*** (0.009)	0.027*** (0.009)	0.032*** (0.011)	-0.015 (0.013)
Population					-0.046 (0.050)	-0.108*** (0.041)
Democracy						-0.035 (0.029)
GDP Per Capita						-0.391*** (0.090)
Life expectancy at birth						-0.229** (0.098)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Observations	1,158	1,158	1,158	1,158	1,158	1,123

Dependent variable is "Share of aid that is coordinated" by seven sample donors in the recipient country in time t. Standard errors in parentheses. Strategic Rank averaged over (up to) 7 donor countries; autonomy average across seven donor agencies. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table G.34: Recipient-Level Results, Deconstructed Autonomy & Strategic**

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Base	Base FE	Govern.	Govern. FE	Pop. FE	All Controls
Policy Autonomy	0.497** (0.208)	-0.636** (0.269)	0.499** (0.210)	-0.611** (0.265)	-0.620** (0.271)	-0.496** (0.250)
Structural Autonomy	-0.182 (0.222)	0.404 (0.259)	-0.189 (0.218)	0.427 (0.281)	0.436 (0.283)	0.390 (0.289)
Interventional Autonomy	0.179** (0.076)	0.284*** (0.089)	0.188** (0.076)	0.280*** (0.093)	0.273*** (0.092)	0.261*** (0.093)
Average Trade (Lag)	-0.159*** (0.043)	-0.186*** (0.042)	-0.110** (0.054)	-0.151*** (0.054)	-0.166** (0.065)	-0.105* (0.063)
UN Agreement (Lag)	-0.071 (0.074)	-0.027 (0.073)	-0.051 (0.074)	-0.009 (0.077)	-0.008 (0.078)	0.011 (0.081)
Oil Production (Lag)	-0.022 (0.037)	-0.015 (0.040)	-0.056 (0.046)	-0.038 (0.046)	-0.035 (0.047)	-0.006 (0.046)
War Incl. Donor (Lag)	0.005** (0.002)	0.005*** (0.002)	0.004 (0.003)	0.004** (0.002)	0.004** (0.002)	0.006*** (0.002)
Average Distance (Lag)	0.247 (0.383)	0.469 (0.403)	0.353 (0.378)	0.556 (0.394)	0.518 (0.404)	0.514 (0.384)
Colonial History	0.027** (0.012)	0.023** (0.011)	0.025** (0.012)	0.022** (0.011)	0.022** (0.011)	0.011 (0.010)
Governance			0.023 (0.019)	0.016 (0.019)	0.013 (0.020)	-0.019 (0.022)
Population					0.038 (0.086)	-0.048 (0.088)
Democracy						-0.034 (0.031)
GDP Per Capita						-0.026** (0.010)
Life Expectancy at Birth						-0.160 (0.111)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Observations	493	439	439	439	439	431

Dependent variable is "Share of aid that is coordinated" by seven sample donors in the recipient country in time t. Standard errors in parentheses. Strategic Rank averaged over (up to) 7 donor countries; autonomy average across seven donor agencies. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table G.35: Recipient-Level Results – Strategic-Only, Full Results**

VARIABLES	(1) Base	(2) Base FE	(3) Govern.	(4) Govern FE	(5) Pop. FE	(6) All Controls
Avg. Strategic Rank <sup>+</sup>	-0.040*** (0.012)	-0.039*** (0.012)	-0.041*** (0.011)	-0.040*** (0.011)	-0.032** (0.013)	0.023 (0.016)
Governance			0.020*** (0.007)	0.019*** (0.007)	0.023*** (0.008)	0.000 (0.012)
Population					-0.040 (0.042)	-0.077* (0.040)
Democracy						0.016 (0.026)
GDP Per Capita (Lag)						-0.256*** (0.071)
Life Expectancy (Lag)						-0.445* (0.261)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Observations	1,153	1,153	1,153	1,153	1,153	1,119

Dependent variable is “Share of aid that is coordinated” in the recipient country in time t. Standard errors in parentheses. Strategic Rank averaged over (up to) 46 donor countries. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table G.36: Recipient-Level Results – Strategic-Only, Deconstructed**

VARIABLES	(1) Base	(2) Base FE	(3) Governance	(4) Govern. FE	(5) Pop. FE	(6) All Controls
Average Trade (Lag)	-0.108*** (0.039)	-0.110*** (0.038)	-0.041 (0.054)	-0.053 (0.049)	-0.121** (0.061)	-0.060 (0.070)
UN Agreement (Lag)	-0.030 (0.059)	-0.018 (0.065)	0.019 (0.059)	0.033 (0.069)	0.037 (0.067)	0.060 (0.081)
Oil Production (Lag)	-0.025 (0.026)	-0.026 (0.027)	-0.069** (0.035)	-0.063* (0.034)	-0.046 (0.035)	-0.027 (0.032)
War Incl. Donor (Lag)	0.007*** (0.002)	0.005*** (0.001)	0.005*** (0.002)	0.004*** (0.002)	0.004** (0.002)	0.005** (0.002)
Average Distance (Lag)	-0.204 (0.211)	-0.180 (0.206)	-0.081 (0.195)	-0.062 (0.197)	-0.191 (0.185)	-0.086 (0.203)
Colonial History	0.069*** (0.019)	0.068*** (0.018)	0.064*** (0.019)	0.064*** (0.018)	0.063*** (0.018)	0.054*** (0.017)
Governance			0.030* (0.017)	0.026* (0.015)	0.014 (0.016)	-0.002 (0.016)
Population					0.160* (0.083)	0.062 (0.107)
Democracy						-0.007 (0.023)
GDP Per Capita						-0.020** (0.009)
Life Expectancy at Birth						-0.063 (0.073)
Year Fixed Effects	No	Yes	No	Yes	Yes	Yes
Observations	445	445	445	445	445	437

Dependent variable is "Share of aid that is coordinated" in the recipient country in time t. Standard errors in parentheses. Strategic Rank averaged over (up to) 46 donor countries. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

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## Biography

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Ade has written extensively about many areas of international development. Her work on the educational attainment of immigrants was published in *The Park Place Economist* journal. She has also presented her work at conferences around the world, including the meetings of the American Political Science Association and the Midwest Political Science Association here in the United States.