When are Donor Agencies Willing to Suspend Foreign Aid? Evidence from a Cross-National Survey of Donor Officials

Haley J. Swedlund*†

Abstract

Foreign aid donors are frequently criticized for failing to suspend aid after a political transgression, such as political repression, election fraud, or corruption. The existing literature attributes this to the strategic interests of donor countries. In this paper, I argue that the organizational incentives of donor agencies may be just as important. To evaluate my argument, I present evidence from an original, multi-country survey of top-level donor representatives, including a list experiment designed to elicit truthful information regarding the willingness of a donor agency to suspend aid in response to severe political repression. I find that donor agencies are more willing to sanction a political transgression (1) if the donor agency’s aid portfolio is directly affected and (2) if the donor agency enjoys greater political autonomy over aid suspension decisions.

*Assistant Professor, Nijmegen School of Management, Radboud University Nijmegen (The Netherlands). [h.swedlund@fm.ru.nl].

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Citizens in donor countries have a strong preference for conditioning foreign aid on good governance. Over 90% of respondents in the 2011 Eurobarometer (which sampled more than 25,000 individuals from twenty-seven countries) expressed that foreign aid should be conditioned on governance (Bodenstein and Faust 2014). Yet, foreign aid donors frequently do not suspend aid in response to human rights violations, fraudulent elections, or public corruption scandals. A common explanation is that strategic interests—i.e., commercial or diplomatic interests in the recipient country\(^1\)—prevent donors from credibly conditioning aid on governance (e.g., Dunning 2004; Nielsen 2013). However, contrary to this explanation, foreign aid is sometimes suspended even in strategically important countries, and political transgressions sometimes go unpunished even when the recipient lacks strategic importance.

In this paper, I argue that the willingness of donors to suspend aid in reaction to a political transgression depends not only on the strategic interests of donor countries, but also on the organizational incentives of donor agencies. By organizational incentives, I mean the motivations and interests of the donor agency that are inherent to the design and function of the organization itself. Donor countries delegate the management of foreign aid to donor agencies who are responsible for negotiating aid packages with recipient governments, disbursing foreign aid, and monitoring the implementation of aid programs. As an agent of the donor country, the donor agency’s preferences do not always align with the preferences of the donor principal and there may be cases where the strategic interests of the donor country and the organizational incentives of the donor agency clash. For example, failing to sanction a political transgression may reflect poorly on a donor agency’s organizational performance, even if suspending aid is strategically costly to the donor country. In such cases, organizational incentives may influence whether or not aid is suspended, especially if the donor agency has political autonomy over aid disbursement decisions.

If organizational incentives influence the willingness of donor agencies to sanction recipient governments following a political transgression, foreign aid donors should be more likely to suspend aid to two circumstances: (1) if the political transgression directly affects the donor agency’s aid portfolio in the recipient country, and (2) if the donor agency has a higher degree of autonomy over aid disbursement, including aid suspensions decisions. If the decision to suspend aid was only dependent on the strategic interests of the donor country, neither the type of political transgression

\(^1\) Steinwand (2015) calls strategic interests the ‘private good’ properties of aid.
nor the autonomy of the aid organization should affect the likelihood of an aid suspension.

To evaluate the importance of organizational incentives on the willingness of donor agencies to sanction political transgressions through aid suspensions, I draw on original data from a cross-national survey of high-ranking donor officials working in twenty countries across Sub-Saharan Africa. In addition to vignette questions that asked the respondent to indicate how likely it is that their agency will suspend aid in a number of different scenarios, the survey included a list experiment designed to elicit truthful information regarding the willingness of a donor agency to suspend aid following severe political repression. Consistent with my argument regarding the role of organizational incentives, donor officials report that their agency is more likely to suspend aid if the political transgression directly affects its aid portfolio in the recipient country and if the agency has a higher degree of political autonomy over aid disbursement.

My findings have important practical and theoretical implications. If donor agencies cannot credibly commit to an aid suspension following a political transgression, then we can hardly expect aid sanctions to be an effective instrument in fostering good governance in recipient countries. Most major donor agencies formally condition their aid on governance. Thus far, however, our ability to measure the willingness of donor agencies to actually suspend aid has been limited with the data hitherto available. In this article, I draw on novel data from an original survey of top-level donor representatives working in twenty recipient countries, including a list experiment to designed elicit truthful responses about donors’ actual willingness to sanction political transgressions by suspending aid. My approach allows us, for the first time, to directly measure the willingness of different types of donor agencies to suspend foreign aid following different types of political transgressions.

For scholars of international relations, my findings emphasize the importance of understanding the role of organizational incentives in decision-making regarding foreign policy. As Carol Lancaster (2007) prominently argued, ‘[f]oreign aid is a tool of policy’ and has historically been given not only for developmental and humanitarian purposes but also to advance the diplomatic and commercial interests of donor countries.2 This does not mean, however, that decision-making regarding aid

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2 Even multilateral aid has strategic purposes (Dreher, Sturm, and Vreeland 2009; Carter and Stone 2015). For a collection of the seminal articles and essays on the geopolitics of foreign aid, see Milner and Tingley (2013).
disbursement is entirely driven by strategic interests. My findings suggest that decision-making can also be influenced by the organizational motivations and interests of the donor agencies who disburse aid on behalf of donor countries.

The paper is organized as follows. First, I provide an overview of what we know about aid suspensions. Second, I make the case for taking the organizational incentives of donor agencies more seriously and present two testable predictions that should only be true if organizational incentives have important implications on the willingness of donor agencies to sanction political transgressions by suspending aid. Third, I provide a brief overview of the survey and the type of data it can provide. Fourth, I evaluate my argument using data from the survey, cross-checking its validity by comparing it to actual aid suspensions. Finally, I conclude by outlining the implications of the study and providing suggestions for future research.

The Politics of Aid Suspensions

Following the end of the Cold War, almost all donor agencies began formally conditioning their aid on governance (Carothers and de Gramont 2013). Even aid agencies that deliberately avoid formal democratization criteria, such as the World Bank, condition aid on good governance, emphasizing sound public financial management and the protection of basic human rights (Santiso 2001). However, we know relatively little about the credibility of donors’ commitments to suspend aid following a political transgression.

This is a big gap in our knowledge about political conditionality, or the willingness of donors to condition foreign aid on governance (Baylies 1995). If donors are not willing to sanction a recipient government following a political transgression, there is little reason to believe that the recipient will be motivated to prioritize governance to maintain aid flows. Recipient governments work closely with donor agencies over many years. If donor agencies do not follow through with their threats to suspend aid, recipient-country officials are unlikely to be compelled to change their governance practices on account of aid suspensions threats.

In the early days of scholarship on political conditionality, scholars mainly focused on whether

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3 Political conditionality refers to both rewarding countries for making improvements in governance (positive conditionality) and punishing recipient countries for failing to make progress on governance or for political transgressions (negative conditionality).
or not conditioning aid on governance was effective. Many scholars took a critical perspective (e.g., Crawford 1997; Collier et al. 1997; Killick 1998; Mosley, Harrigan, and Toye 1995; Regan 1995; Sorensen 1993; Stokke 1995), arguing that donors often appeared unwilling to enforce conditionality. At the turn of the century, the focus shifted to aid selectively, or as Alesina and Dollar (2000) famously put it: ‘who gives foreign aid to whom and why?’ Evidence from this body of literature is mixed. There is some evidence that select donors reward democratic and democratizing states with higher volumes of aid at different periods of time (Bermeo 2011; Claessens, Cassimon, and Van Campenhout 2009; Dunning 2004; Freytag and Pehnelt 2009; Hout 2007; Reinsberg 2015), and several scholars find that donors are more willing to condition particular types of aid—namely aid given directly to the recipient government—one governance performance (Clist, Isopi, and Morrissey 2012; Dietrich 2013; Nielsen 2013; Winters and Martinez 2015). However, others conclude that the salience of governance in the recipient country frequently takes a backseat to the strategic interests of donor countries (e.g., Alesina and Dollar 2000; Carey 2007; Hook 1998; Schraeder, Hook, and Taylor 1998; Younas 2008).

Some scholars even argue that corrupt governments might get more aid (de la Croix and Delavallade 2013; Easterly 2008; Easterly and Williamson 2011).

While providing a number of interesting insights, the literature on political conditionality is limited in two key ways. First, cross-national studies of political conditionality have almost exclusively relied on regression analysis to provide an estimated effect of changes in a country’s score on governance indicators—e.g., the Freedom House Indicators or the Polity Index—on annual aid.

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4 This body of literature is closely linked with debates on whether or not donors reward governments with better policies (e.g., Berthélemy and Tichit 2004; Burnside and Dollar 2000; Clist 2011; Dollar and Levin 2006), as well as debates on the relationship between aid and governance (e.g., Bräutigam 2000; Bräutigam and Knack 2004; Bueno de Mesquita and Smith 2010; Dietrich and Wright 2015; Goldsmith 2001; Morrison 2007; Smith 2008; Svensson 2000; van de Walle 2001; Wright and Winters 2010).

5 In this way, the literature on political conditionality is closely linked with debates on how aid can impact decision making by dictators (Bueno de Mesquita and Smith 2009; 2010; Wright 2009).

6 For a summary of recent studies on the role of governance in determining foreign aid composition, see Table 1 in Winters and Martinez (2015, 517). For a summary (and classification) of studies linking aid to democratization, see Kersting and Kilby (2014).
volumes. While this approach points to important trends in aid allocation, it cannot speak to the micro-foundations of aid suspensions, nor can it test causal arguments about donor responses to different types of political transgressions (e.g., a corruption scandal v. a human rights violation).

Second, there is reason to believe that the strategic interests are not a sufficient explanation for why donors sometimes fail to suspend aid after a political transgression. At a basic level, aid is never really devoid of strategic interests (Heinrich 2013). Moreover, donors sometimes suspend aid even when the donor country has strong strategic interests in the recipient country. For example, in November 2007, the United Kingdom’s Department for International Development (DFID) suspended £20 million of foreign aid to Pakistan in response to the decision by the government to declare a State of Emergency and issue a provisional constitutional order (DFID 2008). Similarly, in November 2010, DFID delayed a payment of £85 million to Afghanistan because of concerns about financial management and accountability (DFID 2011). In both cases, the UK had important strategic interests in the recipient country. Nonetheless, aid was suspended.

**Hypotheses & Observable Implications**

The argument that I test in this article is that the organizational incentives of donor agencies have important implications for the willingness of donors to sanctions political transgressions by suspending foreign aid. The organizational incentives of donor agencies and the strategic interests of donor countries may overlap, as aid suspensions are often costly to a donor agency. Suspending aid means that development programs have to be stopped mid-stream. This can be difficult to do in cumbersome, bureaucratic organizations like aid agencies, because knowledge has to be filtered up and then acted upon (Brown 2005). Once suspended, it can be difficult to restart aid programs,

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7 A notable exception is Molenaers et al. (2015).

8 For example, the resident representative of the Norwegian Agency for Development Cooperation (NORAD) in Tanzania reportedly discouraged aid personnel working on the ground from disclosing problems with the country’s forced villagization program (*ujamaa*) in the 1970s, because Tanzania had a special place in Nordic aid policy. Even once the issue was taken up at headquarters in Oslo, it took years before the full extent of the forced removals was widely known, because donor officials were afraid that the situation would be damaging to a still new aid system (Simensen 2007, 171).
and donor officials are rewarded for disbursing—not suspending—aid. As Collier writes, “People get promoted by disbursing money, not withholding it” (2007, 109).

However, there may also be cases where the strategic interests of the donor country and the organizational incentives of the donor agency clash. For example, because of bad press, a donor agency may find it very costly not to suspend aid, even if the donor country considers the recipient to be an important political ally. In such cases, it is not guaranteed that the strategic interests of the donor country will prevail, because donor countries delegate the disbursement of aid to donor agencies.\(^9\) While decisions about aid allocation are typically made by the legislative branch in the donor country, decisions about aid disbursement are delegated to the donor agency.

Just like in all bureaucratic organizations, delegation to donor agencies can lead to agency problems (Gibson et al. 2005; Hawkins et al. 2006; Martens 2002). Bush (2015), for example, argues that delegation in democracy promotion has led to a taming of the field, because implementing partners are inclined to propose projects that are both measurable and regime-compatible in order to ensure their survival. It is also well accepted that, because the opportunity costs of a given aid budget is low for the donor agent, donor agencies often face a pressure to disburse even if the recipient does not fulfill the policy requirements of the loan or grant (i.e., a reduction in public expenditure). Contrary to parliaments, donor agencies want to maximize their aid budgets and are therefore incentivized to continue to keep disbursing, even if the recipient fails to meet the policy conditions of the loan or grant (Svensson 2003).\(^10\)

If the organizational incentives of donor agencies have important consequences for the willingness of donors to spend aid following a political transgression, we should expect donor agencies

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\(^9\) As Martens explains, donor agencies are the “the chief mediator between the preferences and interests of all persons involved in the aid delivery chain” (2005, 656). If there were zero transactions costs and fully shared preferences between donors and recipients, there would be no need for aid agencies (Martens 2002; 2005).

\(^10\) At the World Bank, for example, not only are country loan officers under pressure to meet country disbursement targets, there is a coordination problem in that staff are aware that it would not be financially productive to make an example of a particular country by refusing to disburse funds. Policy conditionality can also conflict with other objectives, namely the goal of providing quick-disbursing finance to limit potential loan defaults (Mosley, Harrigan, and Toye 1995).
to suspend foreign aid more often in two circumstances: (1) if the political transgression directly affects the agency’s aid portfolio, and (2) if the agency enjoys a higher degree of autonomy over aid suspension decisions.

**H1: Donor agencies are more likely to suspend foreign aid if the political transgression directly affects its aid portfolio in the recipient country.**

In some cases, a political transgression may affect the donor agency’s ability to pursue its main objective: the disbursement of aid. In such cases, we would expect the donor agency to be more sensitive to the political transgression and, hence, more likely to suspend aid. For example, imagine that corruption is discovered in a project a donor agency is supporting in recipient country X. Not only has the project, which the donor agency would presumably like to be successful, been compromised, it would look irresponsible for the donor agency not to suspend aid after corruption has been reported. Not suspending aid might result in bad press back home in the donor country, or even a decrease in the amount of money the donor agency is allocated in the future. Alternatively, imagine that the same recipient government is accused of preventing opposition parties from registering for parliamentary elections. While donor officials may have strong normative objections to the government’s actions, their aid portfolio has not been directly compromised.

This hypothesis is consistent with actual donor policies regarding aid suspensions. While many donor agencies have explicit policies regarding aid sanctions in the case of poor fiscal management, they frequently lack clear policies when it comes to political governance problems. Norway, for example, has a zero-tolerance policy on financial irregularities. All recipients of Norwegian funding are required to incorporate this policy into their financial and administrative procedures, and there is a special unit within the Norwegian aid agency (NORAD) that manages all cases related to financial irregularities and operates a whistleblower hotline.\(^{11}\) In comparison, its policies for suspending aid on account of political governance or human rights violations are much less specified and open to interpretation.\(^{12}\)

There may be, however, certain circumstances under which donor agencies are more likely to suspend aid more broadly; namely, if the donor agency is providing direct budget support to the

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\(^{11}\)Norway is not alone in having a whistleblower hotline. USAid, for example, also manages a hotline for the reporting of fraud, waste and abuse in projects sponsored by the agency.

\(^{12}\)E-mail exchange with Norad, October 2014
recipient government. Agencies that provide budget support disburse resources directly into the treasury of the receiving country, allowing the recipient to use their own allocation, procurement and accounting structures (Koeberle, Stavreski, and Walliser 2006). Instead of walling off funds in self-standing project accounts, budget support donors directly fund the recipient government. Because budget support donors directly fund the state, political transgressions by the recipient country implicate the donor’s programming in the country more than if the aid was being provided through stand-alone projects. As a donor official working in Ghana explained, when a donor agency provides budget support and things go ‘off-track’, their agency is implicated. Accordingly, we can predict that, if a donor agency gives direct budget support to a recipient government, they will be more likely to sanction recipients for political transgressions by suspending aid.

Take, as an example, the case of Uganda; a key ally for Western countries in the fight against terrorism in East Africa and the Horn. Despite Uganda’s strategic importance, political transgressions by the Ugandan government resulted in multiple aid suspensions over the past decade. In February 2014, donors suspended approximately $118m in foreign aid to protest the passage of a law that that imposed harsh prison sentences for some homosexual acts (Reuters 2014). That suspension, however, was minor compared to a 2012 suspension that took place when it was discovered that donor funds were missing from an account held by the Ugandan Office of the Prime Minister (Government of Ireland 2012). Even though the financial irregularity was discovered by the Ugandan Auditor General, and even though global public outcry was far greater in the case of the anti-homosexuality bill, donors responded much more strongly to the discovery of corruption. In the latter case, all budget support was suspended, resulting in a budget shortfall of over $300m for the Ugandan government (Jeanne and Njoroge 2012).

13In the past, donor agencies have been held accountable for directly supporting governments that commit political transgressions. In addition, budget support may give donors more leeway to suspend for political reasons, as most budget support programs include a set of underlying principles that are almost always related to governance (Faust and Koch 2014; Molenaers 2012).

14Interview with bilateral donor representative: May 2013; Accra, Ghana

15This argument is consistent with recent findings that suggest that donor agencies are more willing to condition certain types of aid, namely economic, programme aid on governance (Clist, Isopi, and Morrissey 2012; Dietrich 2013; Nielsen 2013; Winters and Martinez 2015).
Such a strong response is consistent with the organizational incentives of the donor agencies involved. Not only did the corruption scandal involve donor money, but it was costly to the reputations of the donor agencies that were directly supporting the Ugandan government via budget support.\(^{16}\) While many donor officials strongly objected to the anti-homosexuality bill, suspending aid because of the bill would have disrupted programming that was in many cases substantively unrelated to the political transgression. Alternatively, in the case of the OPM scandal, donor programming had already been affected, and it would have looked irresponsible not to suspend aid.

**H2: Donor agencies are more likely to suspend aid when they enjoy a higher degree of political autonomy over suspension decisions.**

‘Donors’ are often discussed as if they are a monolithic group. However, donor agencies are organized in many different ways with some donor agencies having much more political autonomy than others. These variations in design can moderate the incentives of donor agencies to comply with strategic preferences (Arel-Bundock, Atkinson, and Potter 2015). Cross-nationally, we can distinguish between three types of donor agencies: multilateral agencies, bilateral agencies with a minister for international development (ministerial bilaterals), and bilateral agencies without a minister for international development (non-ministerial bilaterals). Because ministerial bilaterals have the most political autonomy over aid disbursement, they should be the most likely to suspend aid following a political transgression.

Ministerial bilaterals are led by a high-ranking, political appointee who has been charged with overseeing development cooperation on behalf of the donor country. On the other hand, multilateral agencies are overseen by a board or a similar collective body composed of representatives from many states. Non-ministerial bilaterals fall somewhere in between. Although they are the agent of a single donor country, non-ministerial bilaterals typically have little independent authority and are often subjected to strong oversight by either the executive or legislative branch (or both).\(^{17}\)

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\(^{16}\)Shortly after the scandal, the EU Ambassador to Uganda remarked “How can I now go back to Europe and ask for aid for Uganda? The recent corruption scandals are a breach of trust between the country and its development partners” (quoted in Jeanne and Njoroge 2012, 2).

\(^{17}\)Conceptually, we can think of multilaterals as the agent of a collective principal, non-ministerial bilaterals as the agent of multiple principals, and ministerial bilaterals as the agent of a single
Suspending aid following a political transgression should be the most difficult for a multilateral agency, because a suspension requires a consensus amongst the donor principals; all of whom are a potential veto player (Tsebelis 2002) when it comes to blocking an aid suspension. This increases the risk that strategic interests on the part of a donor country (or countries) will prevent a suspension. A good example is the European Commission. While the Commission controls aid allocations, its members make decisions regarding overall development policy (Schneider and Tobin 2013). In regards to aid suspensions, it is the European Council (composed of ministers from each member country) that undertakes the decision to suspend aid. Another example is the World Bank, where it is the Board of Executive Directors (appointed by the Board of Governors) that must green light suspensions. Even though the board has delegated a great deal of authority to the Bank’s management, it is still ultimately responsible for approving financial packages. This opens up the possibility that one or more of the donor countries could block a suspension, decreasing the likelihood of a suspension.

In contrast to multilateral agencies, bilateral agencies act on behalf of a single donor country. However, donor countries organize their aid programs differently. In some donor countries, foreign aid is overseen by a dedicated minister for international development, while in others aid is managed by subordinate agencies that lack independent political authority. Having a dedicated minister for international development gives the donor agency a certain degree of political autonomy over aid disbursement. The Danish Minister for Development Cooperation, for example, is charged with “coordinating Denmark’s participation in international negotiations relating to development policy issues” and “administering the Danish State’s bilateral and multilateral development cooperation” (Government of Denmark 2012, 1). In this capacity, the minister is the ultimate arbitrator of decisions regarding aid disbursements. Similarly, in the UK, decisions about aid disbursement—including aid suspensions—are ultimately the prerogative of the minister principal (Lyne, Nielson, and Tierney 2006; Nielson and Tierney 2009; Stone 2002).

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18 E-mail correspondence with the European Commission, January 2015. As an example, see council decision 2002/148/EC, which suspended aid to Zimbabwe in 2002.

19 In practice, the board does not really ‘suspend’ aid but rather pulls financing or fails to renew financing. Following the anti-homosexuality bill, for example, the Ugandan government could continue to borrow from the Bank but financing for health was pulled.
responsible for development cooperation.\textsuperscript{20}

In donor countries where there is not a minister for international development, donor agencies have less political autonomy over aid disbursement, including aid suspension decisions. Take, for example, the United States, which is largely—although not exclusively—represented abroad by the United States Agency for Development (USAID).\textsuperscript{21} USAID a sub-cabinet agency that takes foreign policy guidance from the Secretary of State and is closely monitored by the United States Congress. As a result of its organizational design, the agency lacks independent authority and decisions around aid disbursement are likely to be influenced by strategic interests (Lancaster and Van Dusen 2005; Lancaster 2007). Another example of a subordinate aid agency is the Austrian Development Agency (ADA), where suspension decisions require a concerted decision of the managing director of ADA, the Austrian Foreign Ministry, executive staff members of ADA and even other donors.\textsuperscript{22}

Here it is important to clarify that I am not arguing that the design of an organization is exogenous to the strategic interests of a donor country (or countries). Certain bilateral aid agencies are arguably designed to support the promotion of domestic economic or security interests over developmental goals. Similarly, multilateral organizations are often designed to prevent them from becoming fully independent political actors. Neither argument is inconsistent with my prediction. The point is simply that the more autonomy over suspension decisions an agency has, the more likely it is to suspend aid in response to political transgressions in situations when there is a trade-off between the enforcement of political conditionality and other strategic objectives.

However, if the strategic interests of donor countries were the only factor driving the lack of aid suspensions, we would expect the opposite pattern. Ministers of international development are political appointees and members of the ruling party’s cabinet. They are, therefore, anything but shielded from domestic political pressures. Alternatively, once aid is disbursed to a multilateral agency, donor countries have little independent say over how the aid is used and cannot tie aid

\textsuperscript{20}E-mail correspondence with DFID, September 2014
\textsuperscript{21}For a more detailed analysis of the independence of all US agencies who disburse foreign aid, see Arel-Bundock, Atkinson, and Potter (2015).
\textsuperscript{22}E-mail correspondence with ADA, November 2014
Therefore, if strategic interests on the part of the donor country were the only thing that mattered in aid suspensions, ministerial bilaterals should be the least likely to suspend following a political transgression. Instead, my argument is that because of their organizational design, we should expect that ministerial bilaterals are the most likely to suspend aid following a political transgression.

**Data & Methods**

Between March 2013 and July 2014, I carried out an original survey of high-level donor representatives working at the recipient-country level. My survey specifically targeted Heads of Cooperations (HoCs), or the senior civil servant working at the recipient-country level for a particular donor agency. HoCs are responsible for the donor’s development portfolio in a given recipient country. The fact that donor officials are not widely studied is a missed opportunity (Brown 2011); they are the human face of donor agencies and thus have important insights into the practices and behaviors of donors. HoCs are a particularly interesting group, because they are the key interlocutor between the donor agency and the recipient government and are responsible for negotiating and implementing programming at the recipient-country level.

In regards to aid suspensions specifically, HoCs working at the mission-level are in an excellent position to tell us under what conditions their donor agency may suspend aid to a particular recipient country. A HoC is typically not the one who makes the final decision to suspend aid. However, as the core representative of a donor agency in a recipient country, the HoC is the donor official who has the most information about the likelihood of an aid suspension in a particular recipient country.

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23 For more on the choice to disburse through multilateral agencies, see Milner 2006; Milner and Tingley 2010; Milner and Tingley 2012; McLean 2012; McLean 2015.

24 Official names for HoCs vary by donor. Within UNDP the equivalent would be the Resident Representative, while at the World Bank it would be the Country Director. Most bilateral agencies have a Head of Cooperation or Head of Development Cooperation. This position is different from the ambassador, who is responsible for the political relationship between the two countries. Instead, the HoC is responsible for the country’s development portfolio in the recipient country.
country. Take, for example, the UK. While suspensions decision are ultimately ministerial, the decision is undertaken based on the advice of the Head of Office (DFID’s HoC equivalent) in the recipient country, meaning that the HoC has access to information regarding the likelihood of a suspension. Surveying donor officials working at headquarters would likely over-represent the prevalence of aid suspensions, because headquarter staff would answer questions about aid suspensions using their knowledge about formal rules and guidelines rather than their personal experience working in the recipient country. At the same time, staff members working on specific initiatives at the mission-level may not have the broad knowledge about the agency’s entire development program and/or the knowledge about how allocation decisions are made to be able to sufficiently answer questions about aid suspensions.

In total, 114 HoCs from twenty-three different donor agencies in twenty recipient countries participated in the survey, for a response rate of 53%. The survey took respondents approximately twenty minutes to complete. Respondents in Francophone countries were given the opportunity to complete the survey in either French or English. Potential respondents were told upfront that all data collected would be anonymized and not associated with either their name or their agency’s name. Table 2 and 3 in the appendix provide a more extended description of the sample, including the number of respondents per recipient and donor country. The survey asked the HoCs to answer a variety of questions related to their agency’s activities in the recipient country.

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25 Validity in the survey only assumes that HoCs have knowledge of suspension decisions.

26 The most difficult part of the survey process was identifying potential respondents, as many aid agencies are less than transparent. After the names and e-mails of the HoCs in a particular country were collected, an e-mail requesting participation was sent. Potential respondents were sent up to five e-mails requesting their participation; one approximately every week for four weeks and a final reminder before the survey closed. In addition, in some of the Francophone countries, respondents were also sent an additional e-mail in French to see if this would increase response rates. (It did not.)

27 Only traditional, OECD-DAC donors and affiliated multilateral institutions were sampled. Accordingly, responses cannot be considered representative of how donor officials from non-traditional donor countries, such as China or Brazil, might respond.

28 A full draft of the survey protocol is included in the supplemental information.
questions are relevant for this paper: a list experiment and a set of vignette questions. I discuss each in turn below.

**List Experiment**

Given concerns about social desirability bias, I choose to rely first on a list experiment designed to estimate the percentage of donor-recipient dyads where the donor agency would not suspend aid following an incident of severe political repression. List experiments use an experimental design to elicit truthful responses to a sensitive topic by circumventing respondent-related biases that could arise from social desirability or privacy concerns (Lavrakas 2014). I choose a list experiment design, because I was concerned about how forthright a HoC could be in directly admitting that their agency is unlikely to suspend aid in response to severe political repression. Despite anonymity, respondents might still be reluctant to directly admit that their agency is unlikely to suspend aid, because freely admitting this would undermine the credibility of their bargaining position vis-à-vis the recipient government.

In a list experiment, the respondent is not asked to openly admit to holding a controversial belief (or in this case: to admit that their agency might act against its publicly stated principles). Rather they are asked *how many* items are true from a list of statements that includes a sensitive item. The mean response of the treatment group is then compared to the mean response of a baseline group that received exactly the same statements, minus the sensitive item. From a comparison of these two means, an estimate of how many respondents believe the sensitive item to be true can be derived. ²⁹

In my list experiment, respondents in the baseline group were asked to indicate how many statements were true out of a list of four baseline statements (designed to avoid ceiling and floor effects).³⁰ In addition to the baseline statements, the treatment group was presented with the

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²⁹Political scientists have used list experiments to address several sensitive topics, such as race relations, support for militant groups, and support for female political candidates (Bullock, Imai, and Shapiro 2011; Kuklinski et al. 1997; Streb et al. 2008).

³⁰Respondents were instructed to “Please read the following statements and indicate how many are true.” The baseline statements were as follows: 1. I believe my development agency should focus more on HIV/AIDS reduction globally. 2. I think all development agencies should establish priority countries. 3. I believe that OECD countries should take a backseat to south-south
following sensitive item:

As long as the [Government of X] remains cooperative on our agency’s main priorities, political repression (including suspected assassinations of opposition leaders) would not lead to the suspension of aid.

In the individual surveys, [Government of X] was replaced with the government of the recipient country in which the respondent was working (i.e., Government of Uganda). Whether or not the HoC was in the baseline or treatment group was randomized, as were the statements.

I designed this question to be a strong test of the hypothesis that development agencies have an incentive to continue providing aid despite a political transgression. The decision to focus on political repression and to mention ‘suspected assassinations of opposition leaders’ was made because I wanted to present a vivid scenario to respondents that was clearly beyond acceptable norms of behavior. I wanted the logic of the question be realistic (hence the use of the word ‘suspected’). I also wanted the statement to clearly imply that, while the recipient government had crossed a line, it remained cooperative with the agency in other ways.

**Scenario Questions**

In addition to the list experiment, I also asked survey respondents about the probability their agency would suspend aid in a number of different scenarios. The logic behind this approach is very straightforward. I wanted to know how HoCs believed their agency would respond to different types of political transgressions. Therefore, I asked them to indicate how likely their agency was to suspend aid conditional on different types of political transgressions. The question was phrased as follows:

For each of the following events, how likely is it that your agency would suspend aid to [Country X] if the event occurred in [Country X] at some point in the future?

A: moderately fraudulent elections
B: corruption scandal in a project your agency is supporting
C: deterioration in the investment climate
D: changes in headquarter priorities
E: highly fraudulent election

cooperation. 4. I believe that too much development aid is currently spent in Africa.
In the individual surveys, [Country X] was replaced with the name of the country where the respondent was working (i.e., Uganda), and the different scenarios were randomized. The response options were unlikely, moderately likely or very likely.

In addition to the governance scenarios, I also included the options ‘changes in headquarter priorities’ and ‘deterioration in the investment climate.’ I include the option regarding headquarter priorities, because I was interested to see which scenarios would be more or less likely to lead to a suspension when compared to this relatively mundane (but frequent) bureaucratic event. I included the option on investment climate as a measure of the commercial incentives of the donor country, which many suggest influence aid allocation decisions.

What can data from the survey tell us?

In both the list experiment and the set of scenarios, respondents are presented with several imaginary examples and asked how their agency is likely to respond. Presenting respondents with a fictional scenario is advantageous in that it helps us rule out exogenous factors that may influence a donor’s decision to suspend or not suspend aid. Because respondents are given only limited information about the hypothetical situation, they have to make their decision based on the information presented to them. This allows us to know with greater confidence that the decision to suspend is a result of the political transgression. However, it also means that the results do not take into account a variety of other potential factors not captured in the simple scenarios.

It is also worth emphasizing that data from survey does not tell us what the respondent—the HoC—actually thinks his or her agency should do in a given situation. Rather the questions are designed to gauge what the respondent believes their agency is likely to do in a given scenario. Thus, the results are not indicative of the preferences of the respondent, who may believe that aid should be suspended but is not likely to be, or vis-versa. Instead, the data should be interpreted as what the respondents believe will happen based on their (often extensive) experience working in the field of international development.31

31 On average, respondents reported holding in their current position for 24.7 months (s.e. 1.5 months). Thus, respondents were not, on average, new to the position or the recipient country. (Country postings for donor staff are generally 3 to 4 years with postings for ‘hardship’ countries
Empirical Findings

If the organizational incentives of donor agencies have important consequences for aid conditionality, then we should expect the willingness of donors agencies to suspend aid in response to a political transgression to vary based on (1) whether the political transgression directly affects the aid portfolio of the donor agency, and (2) the degree of autonomy the donor agency has over aid suspension decisions. If aid suspensions only depend on the strategic interests of donor countries, we would not expect to see variation along these lines.

Tolerance for Political Repression

Table 1 presents the aggregate findings from the list experiment, which was designed to measure what percentage of HoCs report that their agency is unlikely to suspend aid in the case of severe political repression, as long as the government is cooperative on their agency’s main priorities. Overall, HoCs report that their agency is often unlikely to suspend foreign aid. Using a difference-in-means estimator, we can estimate that 45% (s.e.=.22) of HoCs report that their agency is unlikely to suspend in the treatment scenario. Using a one-sided permutation test, we can also reject the hypothesis that no donor representative agreed with this statement at p=.015. If close to half of HoCs report that a suspension is unlikely in the case of severe repression, it seems reasonable to expect that suspension rates will be even lower in more moderate cases of political repression.

Table 1: Estimated proportion of HoCs who would not suspend aid even in the case of severe political repression

<table>
<thead>
<tr>
<th>Baseline Condition</th>
<th>Test Condition</th>
<th>Percent ‘Not Suspend’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean (s.e.)</td>
<td>Mean (s.e.)</td>
<td></td>
</tr>
<tr>
<td>1.2 (.13)</td>
<td>1.7 (.18)</td>
<td>45% (.22)</td>
</tr>
<tr>
<td>N= 47</td>
<td>48</td>
<td>p = .021</td>
</tr>
</tbody>
</table>

To test the argument that organizational incentives have important consequences for aid conditionality, we can first break down the results by the type of donor agency the HoC works for (see Figure 1). The results are consistent with my prediction that donor agencies with a higher degree of political autonomy are more likely to suspend aid following a political transgression. The estimated proportion of HoCs reporting that their agency is unlikely to suspend aid in the case of political repression is over 71% for multilateral agencies, compared to 41% for HoCs representing being considerably shorter at 1 to 2 years.)
non-ministerial bilaterals and 8% for HoCs representing ministerial bilaterals. Table 4 in the appendix provides the estimated effects for each treatment using the technique described in Blair and Imai (2012). While the effect is as predicted, the significance of the effect between the different treatments is not significant, mostly likely because of the small sample sizes.

**Figure 1: Willingness to respond to political repression increases with the political autonomy of the donor agency**

![Graph showing the estimated proportion of HoCs that believe their agency would not suspend foreign aid in the case of political repression, by agency type.](image)

As predicted, the also results vary by whether or not the agency has provided budget support to the recipient country where the HoC is working (see Figure 2).\(^{32}\) Using a difference-in-means estimator, we can estimate that an outstanding 94.4% of HoCs representing agencies that do not provide budget support to the given recipient country believe that their agency would be unlikely to suspend in response to severe political repression. Alternatively, the estimated proportion for HoCs representing agencies that have provided budget support to the recipient country is 20%. See Table 5 in the appendix for the estimated effects between the treatments.

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\(^{32}\)I include in this category HoCs that selected that their agency is currently providing budget support, as well as HoCs that selected that their agency provided budget support in the recent past. The latter category is quite small and theoretically, it makes more sense to include them with current budget support donors; the overwhelming majority reported that they ended budget support because of a political transgression by the recipient government.
Figure 2: Willingness to respond to political repression increases when a donor agency provides budget support

Here it is important to note that providing budget support and having political autonomy over suspension decisions are not unrelated. For example, it would be all but impossible to get the US Congress to approve budget support for most recipient countries. However, in the sample, the two measurements capture different dynamics and vary in important ways. First, whether or not a donor agency provides budget support varies according to whether or not a particular donor agency gives budget support to the recipient country where the respondent is working, whereas the agency’s autonomy over suspension decisions is a sample-wide measurement. Second, there are donor agencies who give budget support but do not have a dedicated minister for international development. For example, Japan gives budget support to three recipient countries in the sample (Ghana, Tanzania and Zambia), but does not have a minister for international development. Third, whether or not an agency provides budget support is not limited to bilateral agencies, as several multilateral donor agencies also provide budget support (in our sample, the European Commission, the World Bank and the African Development Bank).

Collectively, results from list experiment are consistent with the argument that the organizational incentives of donor agencies have important consequences for aid conditionality. As pre-

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33 Japanese development cooperation falls under the Ministry of Foreign Affairs, which has an International Cooperation Bureau overseen by a Director-General.
dicted, the data vary in important ways related to the organizational incentives faced by the donor agency. In particular, the estimated effect, which measures the proportion of HoCs reporting that their agency is unlikely to suspend in the case of severe political repression, is higher for multilateral agencies and for agencies that do not provide budget support.

**Donors’ Willingness to Suspend Aid**

In contrast to the list experiment, the scenario questions measure the proportion of HoCs reporting that an aid suspension is *likely*. My prediction is that HoCs will report that aid suspensions are more likely in cases where their aid portfolios are directly affected, namely in the case of corruption in a project their agency is supporting. To further test the impact of organizational incentives, we can also break the results down by the type of donor agency and by whether or not the agency provides budget support.

Consistent with the argument that donor agencies frequently hesitate to suspend aid following a political transgression, across *all* of the scenarios at least 20% of HoCs reported that an aid suspension was unlikely. However, as predicted, HoCs also report differences in how their agency would likely respond to different political transgressions (see Figure 3). Only 18% of those surveyed responded that a deterioration in the respect for civil liberties was very likely to lead to an aid suspension. This is roughly equivalent to the proportion of HoCs indicating that a change in headquarter priorities is very likely to result in their agency suspending aid. In comparison, 53% of HoCs reported that corruption in a project their agency is supporting is very likely to lead to an aid suspension. If the corruption takes place in the government-at-large, the percentage of HoCs reporting that an aid suspension is very likely drops to 36%. These results are consistent with my argument about organizational incentives. Corruption in the government may or may not affect the agency’s portfolio in the country, while corruption in a project the donor agency supports clearly affects the agency’s activities in the recipient country.
Quite interestingly, 38% of HoCs report that a highly fraudulent election is very likely to lead to a suspension. This finding is not inconsistent with my argument that agencies are more willing to suspend in scenarios where their day-to-day operations are affected. Highly fraudulent elections could have enormous reputational costs for the aid agency, particularly if the donor agency is funding parts of the electoral process. The results are particularly interesting when one considers that only 2% of respondents (only 2 out of 85) report that moderately fraudulent elections are very likely to lead to an aid suspension. The striking difference between the two scenarios suggests that how election fraud is framed likely affects whether or not we see a suspension. How a particular event is described and understood by donors and the public may vary considerably from case to case, even if the facts are similar, resulting in very different responses by donor agencies. In the survey, simply changing one word led to radically different responses. If aid agencies have a preference for continuing to providing aid, they may be incentivized to downplay the degree of election fraud in recipient countries.

Only 1% percent of HoCs report that a suspension is very likely in the case of a deterioration in the investment climate. This finding does not discredit the idea that commercial interests can drive decisions about aid allocation. A donor country may still choose to provide aid to a particular
recipient country for strategic, economic reasons. However, the results do suggest that the donor officials surveyed do not believe that countries with a declining investment climate are likely to be punished through aid suspensions. This adds further support to the argument that strategic incentives are not the sole driver of aid suspension decisions.

To further test the argument that organizational incentives matter, just as with the list experiment, we can break the scenario question down by whether or not the agency provides budget support to the recipient country in question (see Figure 4). Here we again see clear differences between budget support and non-budget support donors. HoCs working for agencies that provide budget support are twice as likely to report that their agency is very likely to suspend aid in the case of a highly fraudulent election or a deterioration in respect for civil liberties. They are also 15% more likely to report that their agency is very likely to suspend aid in the case of government corruption.

**Figure 4: Willingness to suspend aid is greater among budget support donors**

Not surprisingly, we also see a difference between how budget support donors and non-budget support donors respond to corruption in a project their agency is supporting v. corruption in the government-at-large. HoCs working for agencies who directly support the government via budget support report that their agencies are more sensitive to corruption in the government-at-large, while HoCs working for agencies that provide their aid exclusively via projects report that their agencies are more sensitive to project-level corruption. Overall, however, HoCs in both groups report that project-level corruption is the scenario most likely to lead to an aid suspension.
Responses also differ between HoCs working for different types of donor organizations (see Figure 5). Across most of the scenarios, HoCs representing ministerial bilateral agencies are more likely to report that their agency is very likely to suspend, while HoCs representing multilateral agencies are the least likely to report that their agency is very likely to suspend. Only 10% of HoCs working for multilateral agencies indicated that their agency is very likely to suspend, if there is a deterioration in respect for civil liberties. Alternatively, 18% of HoCs working for non-ministerial bilateral agencies and 25% of HoCs working for ministerial bilateral agencies selected that their agency is very likely to suspend in this scenario. We see a similar pattern for highly fraudulent elections.

**Figure 5: Willingness to suspend aid is greater among politically autonomous donor agencies**

In regards to corruption, the patterns are slightly different but not inconsistent with my argument about organizational incentives. HoCs working for ministerial bilaterals report that their agency is very likely to punish corruption in a project and corruption in the government in similar proportions, while HoCs working for non-ministerial bilaterals report that their agency is more likely to punish corruption in a project. This makes sense, given that the majority of non-ministerial bilaterals do not provide budget support and thus are likely to be less sensitive to corruption in the government-at-large.
Do the results mirror real world decision-making?

How do we know that these results mirror real life decision-making regarding aid suspensions? One way to verify the accuracy of the results is to look at actual cases of aid suspensions. It would be problematic to test our predictions using such data, as doing so would require us to select on the dependent variable. However, aid suspension data is useful for verifying that the patterns observed in the survey mirror actual suspension decisions.

Most aid agencies do not publicly release data on aid suspensions. However, as an initial test, I obtained data from the UK’s Department for International Development (DFID); a ministerial bilateral agency that provides budget support to many countries around the world. In 2006, DFID began publicly reporting aid suspensions in accordance with a new transparency law.\textsuperscript{34} Between 2006 and 2014, DFID reported fifty-five changes to their programming, of which forty can be classified as an aid suspension.\textsuperscript{35} Of these forty aid suspensions, only ten were related to problems with human rights or political governance. The remainder of the suspensions came about because of poor fiscal management and/or corruption.\textsuperscript{36} In total, this means that in 75% of the cases where DFID suspended aid between 2006-2014, the aid suspension occurred because of issues related to the integrity of the program rather than problems with human rights or political governance. These results are consistent with results from the scenario question and provide further evidence that donor agencies are much more likely to suspend aid when their portfolio is directly affected.

Conclusions

In this paper, I argued that the organizational incentives of donor agencies have important consequences for aid conditionality. Using data from an original survey of high-ranking donor officials at the recipient-country level, I substantiated this argument by providing evidence that aid agencies are much more willing to sanction political transgressions by the recipient government: (1) if the

\textsuperscript{34}The ‘International Development (Reporting and Transparency) Act 2006’.

\textsuperscript{35}Fifteen of the reported changes came about because the government did not meet specific performance targets required for the release of budget support; therefore, it would be incorrect to classify them as aid suspensions due to political transgression.

\textsuperscript{36}See supplementary data for a complete list of the forty cases where aid was suspended and data on how each suspension was coded.
political transgression directly affects the agency’s aid portfolio and (2) if the agency enjoys autonomy over suspension decisions. If rates of aid suspensions were only determined by the strategic motivations of donor countries, neither the type of political transgression nor the autonomy of the aid organization should affect the likelihood of an aid suspension.

Data from the survey provides, for the first time, a much clearer picture of when and where donors are more or less willing to suspend aid. My findings suggest that the willingness of foreign aid donors to sanction political transgressions varies not only according the type of political transgression, but also by organizational characteristics of the aid agency itself; namely, the political autonomy of the donor agency.

In future scholarship, it would be useful to test more detailed predictions about donors’ willingness to suspend aid for specific donor agency-recipient country dyads. A larger sample size that includes HoCs working in missions beyond Africa would make this possible and, at the same time, add greater validity to the findings of the study. Additionally, to fully understand the credibility of donor commitments, scholars should investigate how recipient governments perceive donors’ threats to suspend aid.

Nonetheless, my findings clearly demonstrate that research on aid suspensions and political conditionality should look beyond the strategic interests of donor countries and consider the organizational incentives of the donor agency itself. Besides being representatives of donor countries, aid agencies are self-standing organizations and thus act in ways to ensure their own survival and success. When considering the conditions under which aid agencies are willing to suspend aid, these organizational incentives need to be taken into account.

References


Government of Ireland. 2012. Interim Report by Evaluation and Audit Unit Technical Team to Secretary General on Misappropriation of Funds in the Office of the Prime Minister, Uganda.


Appendix

Table 2: Description of Sample

<table>
<thead>
<tr>
<th>Country</th>
<th>ODA as a % GNI (2000-11)</th>
<th>Sample Size</th>
<th>Participated</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Wave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ghana</td>
<td>9.20%</td>
<td>15</td>
<td>10</td>
<td>67%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>25.00%</td>
<td>21</td>
<td>10</td>
<td>48%</td>
</tr>
<tr>
<td>Uganda</td>
<td>13.28%</td>
<td>15</td>
<td>8</td>
<td>53%</td>
</tr>
<tr>
<td>Rwanda</td>
<td>19.98%</td>
<td>14</td>
<td>11</td>
<td>79%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>12.76%</td>
<td>21</td>
<td>11</td>
<td>52%</td>
</tr>
<tr>
<td>2nd Wave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burundi</td>
<td>28.31%</td>
<td>10</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>13.86%</td>
<td>16</td>
<td>7</td>
<td>44%</td>
</tr>
<tr>
<td>Guinea</td>
<td>7.09%</td>
<td>7</td>
<td>5</td>
<td>71%</td>
</tr>
<tr>
<td>Mauritania</td>
<td>13.53%</td>
<td>8</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td>Zambia</td>
<td>15.04%</td>
<td>15</td>
<td>7</td>
<td>47%</td>
</tr>
<tr>
<td>3rd Wave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>30.37%</td>
<td>6</td>
<td>3</td>
<td>50%</td>
</tr>
<tr>
<td>Niger</td>
<td>13.57%</td>
<td>12</td>
<td>5</td>
<td>42%</td>
</tr>
<tr>
<td>Comoros</td>
<td>9.10%</td>
<td>4</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Liberia</td>
<td>73.38%</td>
<td>6</td>
<td>5</td>
<td>83%</td>
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<tr>
<td>Malawi</td>
<td>20.62%</td>
<td>8</td>
<td>6</td>
<td>75%</td>
</tr>
<tr>
<td>4th Wave</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Togo</td>
<td>7.20%</td>
<td>5</td>
<td>2</td>
<td>40%</td>
</tr>
<tr>
<td>Chad</td>
<td>8.59%</td>
<td>6</td>
<td>2</td>
<td>33%</td>
</tr>
<tr>
<td>Congo, Republic</td>
<td>6.92%</td>
<td>5</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>3.76%</td>
<td>7</td>
<td>2</td>
<td>29%</td>
</tr>
<tr>
<td>Kenya</td>
<td>4.53%</td>
<td>14</td>
<td>5</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total/Average</strong></td>
<td><strong>215</strong></td>
<td><strong>114</strong></td>
<td></td>
<td><strong>53%</strong></td>
</tr>
</tbody>
</table>

Table 3: Donor agencies represented in the sample by type

<table>
<thead>
<tr>
<th>Ministerial Bilaterals (39)</th>
<th>Non-Ministeral Bilaterals (42)</th>
<th>Multilaterals (37)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium (3)</td>
<td>Australia (2)</td>
<td>African Development Bank (10)</td>
</tr>
<tr>
<td>Canada (1)</td>
<td>Austria (3)</td>
<td>European Union (12)</td>
</tr>
<tr>
<td>Denmark (5)</td>
<td>France (10)</td>
<td>UNDP (9)</td>
</tr>
<tr>
<td>Finland (2)</td>
<td>Italy (4)</td>
<td>World Bank (6)</td>
</tr>
<tr>
<td>Germany (8)</td>
<td>Japan (8)</td>
<td></td>
</tr>
<tr>
<td>Ireland (6)</td>
<td>Korea (3)</td>
<td></td>
</tr>
<tr>
<td>Netherlands (4)</td>
<td>Norway (3)</td>
<td></td>
</tr>
<tr>
<td>Sweden (4)</td>
<td>Spain (2)</td>
<td></td>
</tr>
<tr>
<td>United Kingdom (4)</td>
<td>Switzerland (4)</td>
<td></td>
</tr>
<tr>
<td>Sweden (4)</td>
<td>United States (4)</td>
<td></td>
</tr>
</tbody>
</table>
Table 4: Estimated effect that HoCs would ‘not suspend’, by agency type

<table>
<thead>
<tr>
<th></th>
<th>Est. effect</th>
<th>Standard Error</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Ministerial Bilaterals (Intercept)</td>
<td>.07895</td>
<td>.28670</td>
<td>25</td>
</tr>
<tr>
<td>Ministerial Bilaterals</td>
<td>.37719</td>
<td>.48544</td>
<td>32</td>
</tr>
<tr>
<td>Multilaterals</td>
<td>.63347</td>
<td>.53745</td>
<td>38</td>
</tr>
</tbody>
</table>

Calculated using the technique described in Blair and Imai (2012)

Table 5: Estimated effect that HoCs would ‘not suspend’, by whether or not the agency provides budget support

<table>
<thead>
<tr>
<th></th>
<th>Est. effect</th>
<th>Standard Error</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never provided budget support (Intercept)</td>
<td>.94444</td>
<td>.38405</td>
<td>63</td>
</tr>
<tr>
<td>Provided budget support</td>
<td>-0.69713</td>
<td>.46941</td>
<td>32</td>
</tr>
</tbody>
</table>

Calculated using the technique described in Blair and Imai (2012)