An empirical assessment of informal influence in the World Bank

Christopher Kilby
Department of Economics, Villanova University, USA
chkilby@yahoo.com
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Abstract:

Recent scholarship has uncovered convincing evidence of systematic donor influence in IFIs such as the World Bank. Less clear is *how* donors influence IFI decision. Possible avenues are formal and informal (Woods 2003): formal influence through official decisions of the board of executive directors and informal influence over decisions not made at the board level. This paper explores the role of informal influence at the World Bank by examining the flow of funds after loans are approved. Controlling for commitments (loan approvals), are subsequent disbursements linked to the geopolitical interests of important donors? Since the board of executive directors is formally involved in loan approval but not in disbursement decisions, this provides an interesting case to identify the avenues of influence. The results indicate the scope of reforms needed to bolster the independence of the World Bank.

I. Introduction

There is a well-established literature looking at the influence of donors on the behavior of international financial institutions (IFIs). Considerable attention has been focused on the IMF (e.g., Andersen, Harr and Tarp, 2006; Barro and Lee, 2005; Dreher *et al*., 2009B; Dreher and Jensen, 2007; Stone, 2000, 2004; Thacker, 1999) but studies of the political economy of IFI lending cover other institutions as well, including the World Bank. For example, Dreher *et al.* (2009A) find that the number of World Bank projects approved is higher when the borrowing country is a rotating member of the UN Security Council than when the country is not, *ceteris paribus*. Andersen, Hansen and Markussen (2006) uncover a positive link between alignment with the U.S. on UN votes designated as important by the U.S. State Department on the one hand, and IDA commitments on the other. The systematic influence of donors in IFI lending decisions appears well established through such econometric analyses.

Somewhat less well studied are the pathways through which donors exert influence in IFIs. In the case of the IMF, Stone (2004) provides a convincing story regarding program interruptions. When countries fail to meet lending conditions, Fund staff members suspend programs, apparently with little regard to geopolitics. The board of executive directors then reviews cases to see if the program should be reinstated. Stone finds that reinstatements happen more expeditiously for geopolitically important countries. This work provides evidence of formal influence as board decisions appear to reflect the interests of powerful countries. Dreher *et al.* (2009A) suggest two routes at the World Bank. First, staff may anticipate donor preferences and bring forward more project proposals for favored countries (i.e., informal influence). Second, the board may simply act more quickly on such projects (formal influence).

In general, studies of loan decisions (e.g., using commitment data) reflect the combined effect

of formal and informal influence but cannot distinguish between them, fundamentally because the

details of executive board decisions are not public record. It is possible, however, to assess informal

influence in other settings. For example, Kilby (2009A) looks at disbursements of World Bank

adjustment loans, controlling for commitments.[1] That study finds that World Bank structural

adjustment loan disbursements are less dependent on macroeconomic performance in countries

aligned with the United States. Because the decision to release a loan tranche is not officially made

by the board, this presents evidence of informal U.S. influence over Bank operations.

Apart from that study, previous work on the World Bank has examined behavior that at least

in part reflects formal influence. This is clear for studies based on commitment data which directly

reflect loan approval decisions made by the board (e.g., Andersen, Hansen and Markussen, 2006)

but it also applies to most studies using disbursement data since the level of disbursements depend

on the level of prior commitments. For example, Fleck and Kilby (2006) find a link between U.S.

interests and World Bank disbursements. This link could be driven, at least in part, by the role U.S.

interests play in the formal process of loan approval by the board. The U.S. executive director could

vote for and lobby other countries to support loans that further U.S. interests. Such efforts would

result in more commitments which in turn result in more disbursements.

This paper looks at World Bank disbursements after controlling for commitments. If donor

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[1]Aid agencies and governments typically commit funds before they disburse them. In the case of the World Bank, commitments are IDA credit amounts and IBRD loan amounts approved by the Board of Directors. These are counted in full at the time the Board approves the loan/credit. Disbursements are counted at the time the World Bank actually pays out funds, e.g., when a program loan tranche is released or a project expense reimbursed. For program loans, disbursements usually happen over a one to three year period after loan approval (but longer delays are possible); for project loans, a six year disbursement profile is typical. Committed amounts may not fully disburse if loan conditions are not fully satisfied, a project is completed under budget, the project/program is cancelled, or the loan is cancelled.

influence over the flow of funds is largely confined to board approval of projects and thus commitments, subsequent geopolitical events (UN voting, military alignments, etc.) should have no influence on the flow of these committed funds from the Bank to the borrower. Following this logic, proxies for donor interests should prove insignificant in a regression of World Bank disbursements that includes commitments as a control variable. In this scenario, Bank staff make disbursement decisions free from donor pressure. Alternatively, donor influence could extend more deeply so that donor priorities influence disbursement decisions over which the donor has no formal control. Kilby (2009A) finds patterns consistent with U.S. influence in disbursement decisions in the case of World Bank adjustment lending; the question is whether donor operational influence is more widespread.

Understanding how donors influence IFI decisions, whether via formal channels, informal channels or both, is critical for successful institutional reforms. If donor influence is largely formal, governance reform at the board level is the appropriate solution. But changing the governance structure (e.g., voting shares, majority requirements, etc.) may be a much less potent approach if donors have significant informal influence. In this case, the key factors may be the location of the institution, hiring and promotion practices, information disclosure, and linking performance and pay in the appropriate fashion. The location of the Bretton Woods institutions just blocks from the White House clearly facilitates informal U.S. control of the institution. A lot has been written about hiring and promotion practices and the dominance of U.S.-educated professionals within the Bank. These characteristics insure the U.S. government good access to information regardless of official disclosure policies so that World Bank disclosure restrictions merely hinder others from providing a check to U.S. informal influence. With pay and promotions not closely tied to project outcomes, Bank staff have little incentive to resist informal pressures that may reduce project performance.

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The rest of the paper is structured as follows. Section II develops a framework for examining the influence of donors on post-approval allocation decisions. Section III presents and describes the data used in the analysis. Section IV discusses the estimation procedure and results. Section V is a brief conclusion.

II.   Model

I start by examining the World Bank's allocation of funds at the project or program level. I divide the opportunities for donors to influence World Bank allocation decisions into two periods: up through loan approval and post-approval. Up through loan approval, donors may accelerate the process and expand loan size when they wish to use access to World Bank funds to reward countries. Conversely, donors may slow the process and reduce loan size when they wish to limit access to World Bank funds to punish countries. At this stage, donor influence can be exercised through formal or informal channels. After loan approval, donors may pressure the Bank to disburse funds expeditiously, ignoring potential problems (corruption, lack of counterpart funding, failure to reach benchmarks). Alternatively, donors may pressure the Bank to disburse slowly (or even suspend disbursements) when the project or program is more or less on track, potentially creating implementation problems. Post-approval influence is informal only.

I take as a starting point the disbursement rate. Define d_{ijt} as actual World Bank disbursements to country i ($i=1, ..., N_t$) for project/program j ($j=1, ..., n_{it}$) in year t ($t=1, ..., T$) and d_{ijt}^* as planned disbursements to country i for project/program j in year t. Actual disbursements will differ from planned disbursements if the project/program does not go according to the plan laid out in the Staff Appraisal Report and loan documents or if changing donor interests lead to pressure to

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accelerate or slow disbursement. Planned disbursements will depend on the commitment amount, characteristics of the project/program, and country characteristics. We can incorporate these considerations by modeling the ratio of actual to planned disbursements as a function of these variables:

$$d_{ijt}/d_{ijt}^* = f(X_{ijt}, DI_{it}, \varepsilon_{ijt}) \tag{1}$$

where X_{ijt} is a vector of "technical" factors that influence the speed of disbursement, DI_{it} is a vector of donor interest variables that reflect donor pressure on the World Bank regarding disbursements to country i, and ε_{ijt} is a stochastic element. X is defined such that higher values correspond to technical factors that speed disbursement. DI is defined such that higher values correspond to greater (more intense positive) donor interest. One possible form of this function which proves convenient from an econometric standpoint is:

$$d_{ijt}/d_{ijt}^* = e^{(\beta_1 X_{ijt} + \beta_2 DI_{it} + \varepsilon_{ijt})} \tag{2}$$

where $\beta_1 > 0$ for appropriately defined X. The hypothesis that donors influence disbursement rates is equivalent to $\beta_2 > 0$ for appropriately defined DI while the alternative hypothesis that donors do not influence disbursement rates implies $\beta_2 = 0$. Taking logs of both sides and rearranging yields

$$lnd_{ijt} = lnd_{ijt}^* + \beta_1 X_{ijt} + \beta_2 DI_{it} + \varepsilon_{ijt} \tag{3}$$

Data on planned disbursements (d_{ijt}^*) are not systematically available but data on commitments are. Define c_{ij} = World Bank commitments to country i for project j (i.e., the World Bank loan amount). Assuming a standard disbursement profile by project type and "age" (years since the project was approved), we can use c_{ij} to proxy for d_{ijt}^* if we control for project type (e.g., with a sector dummy

variable) and age.[2]

Data on actual disbursements from the OECD DAC are available only at the country level

$(d_{it}=\sum_{j=1}^{n_{it}} d_{ijt})$, not at the project level (d_{ijt}). In addition, other than project and aid type, few project-

level factors (X_{ijt}) are available. I address these issues by shifting to country-level analysis:

$$lnd_{it} = lnc_{it} + \beta_1 X_{it} + \beta_2 DI_{it} + \varepsilon_{it} \tag{4}$$

I call the commitment variable "original commitments" (to distinguish it from new commitments

approved by the board in year t), defined as the sum of World Bank commitments to country i for

all projects still active in year t: $c_{it}=\sum_{j=1}^{n_{it}} c_{ij}$. A project is active during the period between loan

approval and loan closing, after which no disbursements are possible.[3] X_{it} is a vector of technical

country characteristics that may influence disbursement. It also includes variables describing the

active World Bank loan portfolio ("commitment portfolio") in country i in year t: sectoral count

variables (constructed by adding project-level sectoral dummy variables) and average project age (for

active projects, weighted by loan size (c_{ij}/c_{it})).

There are a number of possible donor interest variables. Much of the IFI literature uses UN

related measures but even here there are many choices. Using donor-recipient alignment on all UN

votes may be appropriate if UN voting proxies for broader alliances or commonality of interests

(Stone 2004). Following Thacker (1999), one could focus just on votes designated as important by

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[2]This does not assume that loans are designed to disburse in the year they are approved; rather planned disbursement could extend over several years. This contrasts with the link assumed between commitments and disbursements in Bulíř and Hamann (2003, 2007), Celasun and Walliser (2008), and Odedokun (2003).

[3]In practice, I limit the "active life" of a project to 8 years because very little disbursement is likely to happen after this point even if World Bank staff have not officially closed the project. This limit also allows for cases where the closing date is missing, either because of incomplete data or projects that had not yet closed by 2009.

the U.S. State Department. Andersen, Harr and Tarp (2006) advocate a swing voter model based on a narrowly rational view of voting where outcomes reflect vote buying.[4] They argue that votes on "unimportant" measures (ones the U.S. does not designate important and on which the U.S. does not lobby intensively) reflect a country's true preferences, free of U.S. influence. A country's alignment with the U.S. on these votes reflects the country's ideal location in the voting space. Conversely, votes on important measures do reflect U.S. influence or concessions to the U.S. position. Thus, payments to a country for its concessions to the U.S. should be related to the difference between its alignment with the U.S. on important votes and its alignment with the U.S. on unimportant votes. This is consistent with a swing voter model where alignment on unimportant votes reflects the voter's bliss point. Kilby (2009B) evaluates these competing approaches empirically using World Bank lending data and finds considerable support for a swing voter formulation.[5]

In the present analysis, I use *diffUSA*, defined as a country's alignment with the U.S. on important UN votes minus the country's alignment with the U.S. on unimportant UN votes, as a geopolitical measure. One problem in interpreting coefficient estimates based on *diffUSA* is the possible correlation between U.S. votes in the UN and the votes of other influential countries.

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[4]I use the term "narrowly rational" because vote buying is the outcome of a rational actor model that considers only the vote at hand, not strategic voting, vote trading or broader issues.

[5]Most UN votes are not close and the U.S. often loses even those votes it considers important. This can be consistent with a vote buying model if the U.S. values support regardless of the outcome. For example, in the case of the UNSC, Dreher *et al.* (2009B) argue that the U.S. values being closer to consensus so that it rewards swing voters even when their votes are not required to win (for example, "No" votes where the U.S. could simply exercise its veto). Conversely, in UNGA voting, the U.S. designates as important some votes where the U.S. has the support of only two or three other countries.

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Without other appropriate controls, the estimated coefficient for *diffUSA* could reflect the combined influence of these countries. In the present context, that is important for understanding which donors have influence but not for the larger question of whether donors exercise informal influence. Nonetheless, I introduce an additional variable, *diffG7*, the difference between a country's alignment with the other G7 countries (excluding the U.S.) on important and unimportant UN votes. The designation of UN votes as important or unimportant is as before, reflecting the U.S. State Department's assessment (the only one systematically available). This is the correct approach to isolate U.S. influence though the resulting estimated coefficient for *G7diff* need not reflect the true influence of the other G7 countries as they may view different UN votes as important.[6]

III.   Data

The data used in this analysis are described in Table 1. Variables include aid flows (from the World Bank and various bilateral donors), recipient country economic and political characteristics, UN voting alignments, and military aid. The unit of observation is the recipient country/year. The sample is determined by data availability. Important UN voting data starts in 1983 while DAC data on aid flows ends with 2007. Given the lag structure used, this restricts the sample to 1984 to 2007. Table 1 lists descriptive statistics for two samples, first the eligibility/selection equation sample that includes cases where no funds were disbursed (2822 observations on 141 countries with an average 20 observations per country) and second, the

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[6]Because other donors do not systematically report which UN votes they consider to be important, one cannot construct other variables conceptually parallel to the U.S. variable. This data limitation means that this test allows us to either reject or fail to reject the narrower hypothesis of U.S. informal influence individually. But on the basis of these data, we cannot reject the broader the hypothesis of donor influence (U.S. or otherwise).

allocation equation sample that excludes those cases (2613 observations on 141 countries with an

average of 19 observations per country).[7]

Data come from a number of sources. Disbursements variables are based on total official

gross disbursements from the *International Development Statistics CD-ROM* (OECD, 2006-2009).[8]

I take World Bank commitment data from the World Bank Projects Database (World Bank 2009B)

because the OECD reports commitments only for official development assistance (ODA) and the

interest rate on IBRD loans is not concessional enough for these loans to qualify as ODA.

Constructing original commitments and related variables (portfolio age and sectoral variables) also

require the project/program level data provided in the Projects Database rather than the country level

data in the IDS. GDP and population data are from the World Development Indicators (World Bank

2009A) with missing values imputed using Penn World Tables data (Heston *et al*., 2002, 2006).

Recipient country political/governance indicators are derived from Freedom House indices (Freedom

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[7]I set the sample for each equation based on the most restrictive specification so that the sample size is constant for any given equation. Results are the same without this restriction. I also limit the sample to countries that are members of the World Bank in the applicable year; information on their year of entry ("signing date"), exit ("withdrawal date") and re-entry ("return date") comes from the World Bank web site. Thus, the selection equation does not include selection into or out of Bank membership. The disbursement rate equations (that include original commitments as an independent variable–Tables 2 and 3 plus Columns 1 and 4 of Table 4) also restrict the sample to cases where original commitments are positive, i.e., where disbursements are possible.

[8]I use older IDS CD-ROM data to fill-in missing values in new data, effectively recovering countries dropped from OECD coverage (especially from 2007 and on). This is necessary because IDS data are not historical in the sense that the DAC "updates" its data to the current situation. For example, when two countries unite, the two country time series are combined into one and henceforth only available in the combined format even over the period before the countries united. When a country splinters, DAC data are divided accordingly, again even back through the period when only one country existed. When a country is dropped from DAC coverage (e.g., in 2007 when CEECs/NICs were dropped as no longer "developing"), the historical data for those countries disappear.

House, 2009) and Polity IV scores (Polity IV Project, 2009). Conflict data from PRIO cover through 2008 (Gleditsch *et al.*, 2002). U.S. military aid data are from U.S. Agency for International Development's *Greenbook* (USAID, 2009).

Data on UN voting come from several sources. Voeten and Merdzanovic (2009) provide data on all UNGA regular session resolutions passed by roll call vote. Axel Dreher graciously shared data indicating which of these votes were designated as important by the U.S. State Department. The State Department also designates other roll call votes as important–votes on defeated amendments, votes on motions, votes on paragraphs or language of proposed amendments, etc. I collected data for these other votes from the State Department's annual report to Congress (U.S. State Department, 1984-2009).[9]

Table 1A reports descriptive statistics for the eligibility equation variables and sample, Table 1B for the allocation equation. As nearly 93 percent of the observations have positive World Bank disbursements (*WB_elig*), reported values are similar across the two samples. When World Bank disbursements (*WB_tofg*) are positive, they average $183 million with a maximum of $4 billion (Ghana 2006).[10] Original commitments (*original_commitments*) average $1.1 billion with a

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[9]I collected State Department data at the vote level rather than aggregated to the country level so that measures can be constructed for the other G7 countries. Early State Department reports have some limitations (not distinguishing between abstentions and absences, inconsistencies between different tables). Where possible, I used original documents reproduced in these reports rather than the report tables generated from those documents. However, discrepancies were minimal.

[10]Results reports are not sensitive to excluding this observation, an IDA disbursement that is about 10 times Ghana's typical disbursement level in this period. Other observations in excess of $3 billion in disbursements are: 1990–Mexico; 1997–Korea; 1998–Korea; 2006–Ethiopia, Tanzania, Uganda. Mexico and Korea are IBRD disbursements during financial crises. The 2006 disbursements are IDA credits associated with the Multilateral Debt Relief Initiative (MDRI) initiated at the 2005 G8 Summit in Gleneagles, Scotland. Results reported are not sensitive to excluding these observations, underscoring the utility of a log specification.

maximum of $22 billion (India 1992). The portfolio-weighted age (*age_amt*) averages 4 years, close

to the middle of the possible 1 to 9 range.[11] The number of active "development policy lending"

operations (the designation for Structural Adjustment Programs in the World Bank Projects Database

– *sal_count*) averages a bit over 1 with a maximum of 13 (Côte d'Ivoire, Ghana, Tanzania, Uganda,

various year). The number of active projects (excluding technical assistance projects – *prj_count*)

averages 13 with a maximum of 122 (China 2000). The number of technical assistance projects

(*ta_count*) averages a bit over 1 with a maximum of 17 (Vietnam 2005). The dummy variable *blend*

equals 1 for countries that have access to both IDA and IBRD funds (i.e., original commitments

greater than zero in both categories), a situation that applies to 14 percent of the country/years in the

sample.

The remaining variables describe country characteristics, including measures of U.S. and G7

geopolitical interests in the country. Population (*pop*) averages 37.6 million, ranging from 40,000

people (St. Kitts and Nevis 1998) to 1.3 billion (China 2007). PPP GDP per capita (*gdp*) averages

$4,000 in 2000 dollars, running from $392 (Tanzania 1986) to $20,984 (Czech Republic 2007). The

Freedom House index (*FH*) is the average of the civil liberties and political rights indices, inverted

so that 1 indicates least free and 7 indicates most free with an average of 4. The Polity IV autocracy

to democracy index (*polity*) averages just under 2, running from most autocratic (-10) to most

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[11]I allow age to run from 1 (commitments in the current year) to 9 (commitments made 8 years ago). I start counting at 1 rather than 0 to give a non-zero weight to current commitments in the calculation of this weighted average. Mathematically, $age\_amt_{it} = (\sum_{s=0}^{8}(s+1)*\sum_{j=1}^{n_t}c_{ij(t-s)})/(\sum_{s=0}^{8}\sum_{j=1}^{n_t}c_{ij(t-s)})$ where $c_{ij(t-s)}$ are new commitments to country *i* for project *j* in period *t-s*.

democratic (+10).[12] The variable *war* is a dummy variable indicating the country is involved in a major conflict with at least 1000 war-related deaths in that year, the case in almost six percent of the sample.

The variable *diffUSA* is the difference between a borrowing country's alignment with the U.S. on important UN votes and its alignment with the U.S. on "unimportant" UN votes; *diffG7* the equivalent measure for alignment with the other G7 countries. The voting alignment calculation is the same as in Kilby (2006. 2009A. 2009B) and closely follows Thacker (1999) and Dreher and Jensen (2007). For each vote, a country scores a 1 if it follows the U.S., a 0.5 if it abstains or is absent when the U.S. votes (or vice versa), and a 0 if it opposes the U.S. For the G7 score, this process is repeated with each of the 6 other G7 countries. A country's alignment is its mean score for the year on either important or unimportant votes (averaged either over scores with the U.S. or scores with the other G7 countries).

The values of *diffUSA* and *diffG7* are lagged one year since UN votes happen predominantly in the last quarter of the calendar year. There is some small variation in the average values these variables across the two samples. In eligibility sample, *diffUSA* averages 0.1585, with a minimum of −0.364 (Afghanistan 2002) and a maximum of 0.787 (Zambia 1985). In the allocation sample the *diffUSA* average is about one standard deviation higher at 0.163. The G7 equivalent, *diffG7*, averages 0.0126 in the larger sample with a minimum of −0.4414 (Hungary 1985) and a maximum of 0.3524 (Guatemala 1989). Again, the smaller allocation sample mean is about one standard

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[12]This variable is "Polity 2" which has interpolated values during periods of government transition. In cases where the polity index is not available but all other data are, I impute a polity index based on the separate values of Freedom House's political rights and civil liberties indices. The estimated coefficients on polity and FH do not change substantially if I do not use this procedure.

deviation higher at 0.0144.

Another possible geopolitical indicator is military aid. The presumption is that the U.S. only gives substantial military aid to allies it seeks to support. The *sig_USA_mil* indicator variable equals one if the country received a non-trivial amount of aid from the U.S. that year (defined as more than a half million dollars), true for 39% of the sample. Data on military aid are not systematically available for other G7 countries.

Following similar logic, I include bilateral economic as a possible measure of geopolitical interests. However, bilateral aid could also proxy for need factors not already included in the equations (i.e., beyond population, GDP per capita and governance) and complicate interpretation of the estimated coefficients. To mitigate this possibility, I also include aid from the "like-minded" donors, Canada, Denmark, the Netherlands, Norway and Sweden. These countries are known for their relatively humanitarian aid practices but they weld little power within the World Bank.[13] The eligibility equation includes dummy variables indicating positive levels of U.S., G7, and like-minded donor bilateral economic aid. The allocation equation includes the continuous version of these variables, that is the level of aid disbursements.[14] Eighty-seven percent of the observations in the larger eligibility sample are cases where countries receive economic aid from the U.S. (*USA_elig*); the average annual amount for *USA_tofg* in the smaller allocation sample is about $80 million, $90

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[13]See Fleck and Kilby (2006) for more discussion.

[14]To avoid log of zero and thereby shrinking the sample, I add 0.01 to each bilateral aid value when taking logs. This figure ($10,000 or –4.065 in log terms) is the lowest positive disbursement level reported in the raw data. This results in 270 changes for the U.S., 4 changes for the other G7, and 54 changes for the like-minded donors. Results are not sensitive to the choice of the "trivial" value. Alternatively, using binary variables throughout for bilateral aid gives roughly the same results for UN variables as reported in the tables below.

million if we exclude cases with no U.S. aid. The highest level of U.S. aid is $7.8 billion (Egypt 1991).[15] More than 98 percent of the eligibility observations have positive G7 bilateral economic aid (*G7_elig*) with an average of $310 million dollars (*G7_tofg*) in the allocation sample.[16] The largest value for G7 aid is $11.3 billion to Nigeria in 2006, part of a wide-ranging debt write-down deal. Ninety-six percent of the observations in the eligibility sample are cases with positive like-minded donor aid (*LM_elig*); the average level (*LM_tofg*) in the allocation sample is $51 million. The largest value of *LM_tofg* is $1 billion for Mexico, also in 2006.

IV. Estimation and Results

We can think of the World Bank disbursement decision as happening in two steps. First, World Bank staff decide whether a country is eligible for disbursements. Second, if it is eligible, the staff decide how much to disburse. To allow for this approach, I estimate a two part model with separately estimated selection/eligibility and conditional allocation equations.[17] This has the

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[15]This anomalous amount includes Egyptian military debt forgiven by the U.S. following Egypt's support in the first Gulf War. At this time, Japan was emerging as the largest aid donor. In a related move, the OECD DAC temporarily changed its rules to allow write-offs of military aid loans to count toward individual donor's development assistance totals, mainly benefitting the U.S. (Raffer, 1998) The next largest figure is $4.8 billion for Panama in 1999, again driven by flexible definitions of aid (this time related to the hand over of the canal zone). Next is $3.7 billion for Poland in 1991 and $2.7 billion for Egypt in 1988. Note that Israel is excluded from the sample because it did not borrow from the World Bank during this period. These anomalous cases again underscore the merits of a log specification.

[16]Because there are so few cases with no G7 aid, I also estimated the eligibility equation with the continuous variable, *ln_G7_tofg*. As one would expect, this variable enters even more strongly. Otherwise, estimation results are similar.

[17]A two part model is simply separate estimation of a selection equation (here via probit with clustered standard errors) and an allocation equation (via least squares with country fixed effects). For more on the two part model, see Cameron and Trivedi (2005: 544-546, 680-681).

limitation that interpretation of the allocation equation is conditional on selection–unless we are willing to assume the error terms in the two equations are independent. However, it also has certain benefits relative to alternative estimation techniques. A Type I Tobit, for example, requires same process for selection and allocation, an assumption that we will see does not hold well in this case. In addition, that approach would rule out use of country fixed effects. The number of countries (N) is greater than the number of time periods (T) so consistent estimation of country fixed effects in not possible for estimators that cannot be transformed to eliminate the country fixed effects. A Type II Tobit (Heckman Selection Model) has similar limitations. There are no theory-based exclusion restrictions for the selection equation so identification would rest either on ad hoc, empirically based exclusions or the nonlinearities of the probit function. In addition, introducing fixed effects in this context (say, through a conditional logit as the selection equation) would cause the 77 countries that always get funding to drop from the sample (since their country fixed effect would perfectly predict the selection outcome), reducing the sample by more than half and likely introducing an even more severe selection problem.[18]

Is there informal influence?

Table 2 presents results of probit estimation of the selection/eligibility equation using the full sample described in Table 1A. The estimated equation fits the form of equation (4) above

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[18]I also estimate a Heckman Selection Model following the specifications in Table 2 Column 4 (selection) and Table 3 Column 4 (allocation) but with regional dummies rather than country fixed effects. This improves identification because I use bilateral aid variables as dummies in the selection equation and as continuous variables in the allocation equation. The estimate yields results very similar to those reported in Tables 2 and 3. Furthermore, a Likelihood Ratio test fails to reject the hypothesis of independent error terms (p = 0.6221), i.e., the hypothesis that the two part model is correct.

(particularly from Column 2 on). The dependent variable is equal to one if the country received any World Bank disbursements that year. The reported t-statistics are based on standard errors allowing for clustering by country. The first column, excluding original commitments, is primarily a baseline for comparison. Countries that have access to both IDA and IBRD funds are significantly more likely to received disbursements; the estimated effect of blend status is a 3 percentage point increase in the probability of receiving aid. The probably of receiving disbursements also increases with country size while it decreases with per capita income, both outcome one would expect from a need-based eligibility system. Freer, more democratic countries are not significantly more likely to receive disbursements (individually or jointly) and although an on-going war is associated with a lower probability of receiving aid, this link is also not statistically significant. The UN voting variable, however, is significant. Countries making concessions to the U.S. on important UN votes are significantly more likely to receive funding from the World Bank. Moving from the lowest value to the highest value of *diffUSA* increases the estimated probability by 25 percentage points, a larger impact than moving between the extremes of population (16 percentage point change) or GDP (18 percentage point change). In this baseline, however, *diffUSA* captures both pre- and post-loan approval U.S. influence (conditional on positive original commitments) so we cannot yet interpret this as evidence of informal influence.

Column 2 of Table 2 introduces controls for the level of commitments (*ln_original_commitments* plus portfolio age and composition variables). As one would expect, the original commitment variable enters with a positive and significant coefficient indicating that countries with larger active portfolios are more likely to receive disbursements from the World Bank. At the sample mean, a one percent increase in original commitments corresponds to about an equal

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increase in the probability of disbursement while going from the lowest level of original commitments to the highest results in an 80 percentage point increase in the predicted probability of disbursement. The age profile of commitments enters the equation non-linearly with predicted probability of disbursement first increasing up to 4 years, then decreasing. Going from the highest (at four years) to the lowest (at nine years) lowers the predicted probability of disbursement by 22 percentage points. Of the other portfolio composition variables, only the number of technical assistance projects (*ta_count*) enters with a statistically significant estimated coefficient in the selection equation. Starting from the sample mean, one addition technical assistance project increases the predicted probability of disbursement by half a percentage point. Going from no technical assistance projects to 17 (the sample maximum) increases the predicted probability of disbursement by two percentage points.

With commitment portfolio controls included, we now can interpret the estimated coefficients on other variables as plausibly measuring the impact of post-approval events. As expected, this leads to some substantial changes in the estimated coefficients. Conditioning on their commitment portfolio, blend countries are not significantly more likely to receive disbursements than countries whose commitments are either all IDA credits or all IBRD loans. The estimated coefficient for population reverses sign so that, conditional on their commitment portfolio, larger countries are less likely to receive disbursements. Poorer countries are still more likely to receive disbursements though the magnitude of the estimated coefficient is reduced by half.

Finally, the *diffUSA* coefficient now can be interpreted as measuring U.S. influence after loan approval, i.e., informal influence only. As one would expect, the estimated impact is smaller but it remains positive and statistically significant. Again going from the lowest value to the highest value

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of *diffUSA*, the estimated probability of disbursement increases by 6.5 percentage points.

Column 3 of Table 2 introduces other measures of U.S. interests – U.S. military and economic aid.[19] This broader array of U.S. interests should more fully capture the impact of U.S. influence. As explained above, I also introduce a parallel economic aid variable for the like-minded donors to reduce the possibility that the U.S. aid variable is proxying for need.[20] In this specification, all aid variables are indicators: *sig_USA_mil* equals one if the country received significant U.S. military aid that year; *USA_elig* equals one if the country received U.S. economy aid that year; and *LM_elig* equals one if the country received economic aid from any of the like-minded donors that year. As it turns out, U.S. military aid never enters as significant in these post-loan approval estimates though it does have the expected positive sign. However, when countries receive U.S. economic aid they are more significantly likely to receive World Bank disbursements, *ceteris paribus*. Receiving U.S. economic aid (also measured by disbursements) corresponds to a 2 percentage point jump in the predicted probability of World Bank disbursements. Taking the U.S. interest variables as a group, going from least U.S. interest (*diffUSA*=-0.364, *sig_USA_mil*=0 and *USA_elig*=0) to greatest U.S. interest (*diffUSA*=0.787, *sig_USA_mil*=1, *USA_elig*=1) increases the predicted probability of disbursement only slightly more than making the same change just for *diffUSA* in a specification that includes only that interest variable.

The final column of Table 2 introduces donor influence variables for the other G7 countries

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[19]I also investigated trade variables but found no statistically significant links in either the selection or allocation equations. I omit these variables here in the interest of brevity.

[20]Note that the impact of introducing *LM_elig* is fully consistent with it capturing need factors: *ln_gdp* ceases to be significant. Also, the estimated coefficient on *USA_elig* is 20 to 30 percent larger if *LM_elig* is not included.

collectively to get a better sense of whose influence we are measuring. By including these variables, we can see what portion of the measured influence is actually due to U.S. informal pressure, rather than just proxying for broader correlated G7 informal influence. In the case of UN voting, the outcome is clear: the estimated coefficient for *diffUSA* continues to be positive, statistically significant and of the same magnitude while the estimated coefficient for *diffG7* is negative and insignificant. The story is less clear for influence measured via bilateral aid. G7 eligibility enters as a positive and significant factor while U.S. eligibility ceases to be. However, if all the bilateral aid variables are lagged (appropriate if bilateral donors follow the World Bank's lead), the story is reversed.[21]

Table 3 presents results for the allocation equation, estimated with country fixed effect. Country fixed effects allow for time-invariant, country-specific factors that influence the level of disbursements (Column 1) or the rate of disbursement (Columns 2-4) and therefore reduce the potential for omitted variables bias. The structure of the table is the same as for Table 2 but dependent variable is the log of disbursements (as in equation (4)), the sample is restricted to cases with positive disbursements, and the results should be interpreted as conditional on selection unless we make additional assumptions.[22] Also, I use continuous variables for bilateral aid though results do not depend greatly on this.

Column 1 of Table 3 again presents a baseline without commitment portfolio controls. The significant estimated coefficient for *blend* indicates countries that receive disbursements get

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[21]Results available from author. The estimates of the coefficients for other variables are largely unaffected by lagging bilateral aid.

[22]See, however, the earlier footnote reporting that a Likelihood Ratio test based on a similar model fails to reject independence.

significantly more than their normal level when they have both IDA and IBRD commitments. That population and GDP per capita are not statistically significant in this fixed effects specification is unsurprising since these variables generally are slow moving. In contrast to their role in the eligibility equation, both the Freedom House and the Polity indices are significant. When a country is more free than its norm, it receives significantly more disbursements when eligible. Conversely, when a country is more democratic than its norm, it receives significantly fewer disbursements when eligible. Here, the implied *ceteris paribus* assumption is crucial as *polity* becomes positive (though insignificant) if *FH* is omitted. Disbursement are significantly below normal when a country is engaged in a major conflict, an outcome that could reflect either the difficulty of operating under such conditions or government priorities. The UN voting variable enters with a large and significant positive coefficient. When they get disbursements, countries get greater-than-usual disbursements if they made greater-than-usual concessions to the U.S. in UN voting, *ceteris paribus*.

Column 2 of Table 3 includes the commitment portfolio controls. As one would expect, the amount of original commitments has tremendous explanatory power for disbursements. In keeping with equation (4), the estimated coefficient for *ln_original_commitments* is not significantly different from 1; this is true across all allocation equations in which it is included. The disbursement rate peaks when *age_amt* reaches 2.5 years and portfolios with more Structural Adjustment Loans disburse more quickly, *ceteris paribus*.[23]

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[23]As one might expect, the critical difference is between no SALs and some SALs since whether an adjustment program is packaged as one economy-wide program or several simultaneous sectoral programs depends mostly on internal World Bank politics (i.e., introducing SECALs as "something new" when initial SALs fail to improve macroeconomic performance). The coefficients on other variables are the same whether I use a dichotomous or count variable so I leave the count version in for symmetry with the other categories (where count variables are appropriate).

The remaining coefficients are reduced in magnitude but with signs and significance as before. The exception is the *blend* dummy; the disbursement rate is not significantly faster for countries that can draw on both IDA and IBRD resources. The magnitude of the estimated coefficient on *diffUSA* is reduced by nearly two thirds but remains positive and significant, evidence consistent with U.S. informal influence after loan approval.

The specifications in Columns 3 and 4 of Table 3 parallel those in Table 2. The estimated coefficient for *diffUSA* changes little from Column 2, remaining positive and statistically significant. Of the other variables introduced, only *ln_LM_tofg* (bilateral aid from like-minded donors intended to proxy for need) enters with a statistically significant estimated coefficient. The other U.S. interest variables are not statistically significant in Column 3; this persists even if *diffUSA* is dropped (even if country fixed effects are omitted). In Column 4, the G7 interest variables also prove statistically insignificant.

Taken collectively, these results provide convincing evident of informal U.S. influence in the World Bank after loan approval. That influence is reflected in the significance of a UN voting measure that is consistent with a vote buying model. In short, countries are more likely to have their World Bank loans disbursed and disbursed quickly if they make concessions to the U.S. on UN votes that matter to the U.S.

Comparing influence before and after loan approval

How important is post-approval, informal influence compared to the influence donors exert within the World Bank up through loan approval? Table 4 presents a series of estimations to shed some light on this question. These estimates differ in terms of the specification, the sample and the

dependent variable. Columns 1 to 3 are selection equations, Columns 4 to 6 allocation equations. The first column in each group (Columns 1 and 4) repeats the final specifications in Tables 2 and 3 but does not report the commitment portfolio variables as these variables are excluded from the other specifications in Table 4. To keep the table manageable, I have re-labeled the bilateral aid variables so that, for example, *USA_aid* indicates the dummy variable *USA_elig* in Columns 1 to 3 and the continuous variable *ln_USA_tofg* in Columns 4 to 6.[24]

Column 1 of Table 4 is the disbursement eligibility equation that includes (unreported) commitment portfolio variables and hence is restricted to the sample where original commitments are positive. As outlined above, this specification estimates the probability of disbursement conditional on commitments. Column 2 of Table 4 has the same dependent variable but omits commitment portfolio variables. In addition, the sample includes observations where the country was a member of the World Bank but had no active loans, i.e., no commitments that could have been disbursed. Thus, this disbursement eligibility equation actually reflects a combination of decisions – current and past loan approval decisions and current loan disbursement conditions. Finally, Column 3 is the selection equation for current commitments (loan approval decisions) so that, in a rough sense, Column 3 may explain differences between Columns 1 and 2.

As an example of this, consider population. Column 1 shows that larger countries are less likely to receive disbursements conditional on commitments but Column 2 shows that larger countries actually more likely to get disbursements overall. The apparent contradiction is explained by the commitment selection equation which shows that larger countries are more likely to get

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[24]For parallelism, bilateral aid variables in the commitment equations (Columns 3 and 6) are in terms of ODA commitments as well though this "refinement" has little impact.

commitments. This is easiest to understand with a simple example. Suppose there are 10 large

countries and 10 small countries. Since large countries are more likely to get loans approved

(Column 3), say that 8 large countries and 4 small countries get loans approved. Since small

countries with approved loans are more likely to get disbursements (Column 1), say that 3 of the 4

small countries get disbursements and 4 of the 8 large countries get disbursements. The end result

is also consistent with unconditional result of Column 2; overall, the large countries were more likely

to get disbursements (4/10 v. 3/10).

This suggests that we can compare the sign, significance and magnitude of coefficient

estimates across Columns 1 and 3 to understand how informal donor influence in the post-approval

disbursement process compares with the mix of formal and informal influence in the period up

through approval. If these differ in kind, we can see which effect dominates in terms of its influence

on the overall disbursement probability (Column 2).

Looking first at UN voting, *diffUSA* plays a similar role in the two settings, entering with a

positive and significant coefficient in all three columns. The magnitude of the estimated coefficient

is highest in Column 1 (looking just at informal influence post-approval) and lowest in Column 3

(looking at formal and informal influence up through approval). The voting variable for the other

G7 is not significant in any of the three selection equations. U.S. military aid is a significant

covariate at the commitment stage but is not an important determinant of the conditional probability

of disbursement subsequently. The link between receiving U.S. economic aid and receiving World

Bank funds is stronger at the commitment stage (statistically significant in Column 3) though of the

same sign and magnitude at the disbursement stage (not statistically significant in Column 1).

Receiving G7 aid is a significant covariate only at the disbursement stage. These results persist if

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the bilateral aid variables are lagged one year (i.e., the results are not obviously driven by reverse causation).

Columns 4 to 6 of Table 4 are the disbursement rate equation (conditioning on the commitment portfolio), the disbursement allocation equation (not conditioning on commitments), the commitment or loan allocation equation. As with the selection equations, the estimated coefficient on the U.S. UN vote variable is larger post-approval (Column 4) than it is earlier (Column 6). Again, the voting variable for the other G7 is not significant in any of the three equations. U.S. military aid is an insignificant factor across all three allocation equations.[25] The level of US bilateral aid is also not a significant covariate.[26] The results for G7 aid are difficult to explain – marginally significant and negatively related to the commitment amount (Column 6) but significant and positively related to the disbursement amount (Column 5). This would make sense if the disbursement rate were particularly high but the coefficient estimate in Column 4 is neither large nor statistically significant.

Overall, the results in Table 4 suggest that informal donor influence in the post-approval period is at least comparable to the combined formal/informal donor influence exercise up through loan approval. This is particularly true in the case of the U.S. using access to World Bank funds to buy UN votes.

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[25]Combined with the earlier results, this means that receiving significant U.S. military aid is associated with improved changes of getting a World Bank loan but not a significantly larger loan or a significantly higher probability the loan will disburse or significantly faster disbursement of that loan if it is disbursing.

[26]US aid is statistically significant in Columns 5 and 6 if we lag the bilateral aid variables though the coefficient is relatively small.

V.	Conclusions

Efforts to reform international financial institutions to better serve their efficiency-promoting goals depend critically on understanding the functioning of these institutions in their current forms. Recent reform efforts focus on governance changes that may reduce the formal influence of the U.S. and other historically powerful nations. Less reform attention–and indeed less research attention–has been devoted to the avenues through which informal influence operates. Indeed, the relative importance of formal and informal influence is not well understood. With such gaps in our knowledge, it is impossible to say how effective governance reform is likely to be at changing the actually functioning of an institution.

This paper picks apart the avenues through which donors influence the World Bank, focusing on informal influence over disbursement of loans that have already been formally approved. In this setting, I find quantitatively and statistically substantial links between UN voting and World Bank disbursements, primarily reflecting U.S. informal influence. A comparison with donor influence over the loan approval process suggests that informal donor influence has at least as much impact on the allocation of World Bank resources as formal donor influence. This finding means that reform efforts should go well beyond a simple reallocation of voting shares, reaching deeper into the workings of the institution to change the fundamental structure of how "business gets done" at the World Bank.

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Table 1: Descriptive Statistics

Table 1A: Eligibility Sample (2822 observations)

Variable	Mean	StDev	Min	Max	Description
WB_elig	0.9259	0.00493	0	1	Receives World Bank disbursements
original_commitments	1,065	45.91	0.29	21,968	Sum of commitments for active projects, in millions
age_amt	4.039	0.0263	1	9	Average loan ages weighted by amounts
sal_count	1.483	0.04447	0	13	# active SALs
prj_count	13.04	0.2891	0	122	# active Projects (non-TA)
ta_count	1.441	0.03383	0	17	# active Technical Assistance projects
blend	0.1403	0.006539	0	1	Country with IDA and IBRD original commitments
pop	37.6	2.664	0.04013	1,318	Population in millions
gdp	4,169	68.92	391.8	20,984	PPP GDP per capita in 2000 dollars
FH	4.044	0.03362	1	7	Averaged Freedom House Rating (inverted)
polity	1.89	0.1266	-10	10	Polity IV index
war	0.05634	0.004341	0	1	On-going major conflict
diffUSA	0.1585	0.003354	-0.364	0.7872	Concessions to US on UN votes important to US
diffG7	0.01261	0.002443	-0.4414	0.3524	Concessions to other G7 on US important UN votes
sig_USA_mil	0.387	0.00917	0	1	Receives significant US military aid
USA_elig	0.8728	0.006274	0	1	Receives disbursements of US economic aid
G7_elig	0.9837	0.002384	0	1	Receives disbursements of other G7 economic aid
LM_elig	0.9596	0.003707	0	1	Receives disbursements of Like-minded donor aid

Table 1: Descriptive Statistics

Table 1B: Allocation Sample (2613 observations)

Variable	Mean	StDev	Min	Max	Description
WB_tofg	183.4	7.768	0.1	4,069	World Bank disbursements in millions
original_commitments	1,133	49.28	1.4	21,968	Sum of commitments for active projects, in millions
age_amt	4.025	0.02486	1	9	Average loan ages weighted by amounts
sal_count	1.579	0.04738	0	13	# active SALs
prj_count	13.78	0.3063	0	122	# active Projects (non-TA)
ta_count	1.529	0.03579	0	17	# active Technical Assistance projects
blend	0.1481	0.00695	0	1	Country with IDA and IBRD original commitments
pop	39.67	2.871	0.04013	1,318	Population in millions
gdp	3,903	64.02	391.8	17,709	PPP GDP per capita in 2000 dollars
FH	4.025	0.03393	1	7	Averaged Freedom House Rating (inverted)
polity	1.821	0.1309	-10	10	Polity IV index
war	0.05702	0.004537	0	1	On-going major conflict
diffUSA	0.163	0.003493	-0.364	.7872	Concessions to US on UN votes important to US
diffG7	0.01444	0.002536	-0.4347	.3524	Concessions to other G7 on US important UN votes
sig_USA_mil	0.3949	0.009565	0	1	Receives significant US military aid
USA_tofg	81.09	5.278	0	7,779	US economic aid disbursements in millions
G7_tofg	309.1	13.19	0	11,267	Other G7 economic aid disbursements in millions
LM_tofg	50.98	1.541	0	1,002	Like-minded donors aid disbursements in millions

Table 2: Eligibility

	(1) WB_elig	(2) WB_elig	(3) WB_elig	(4) WB_elig
ln_original_commitments		0.498**	0.543**	0.546**
		(6.68)	(7.13)	(7.08)
age_amt		0.728**	0.805**	0.798**
		(5.22)	(5.44)	(5.34)
age_amt2		-0.0854**	-0.0904**	-0.0899**
		(-5.36)	(-5.44)	(-5.40)
sal_count		0.146	0.109	0.115
		(1.62)	(1.31)	(1.28)
prj_count		-0.00989	-0.00707	-0.00233
		(-1.29)	(-0.86)	(-0.21)
ta_count		0.315**	0.302**	0.328**
		(3.30)	(3.61)	(3.61)
blend	0.511**	0.287	0.361**	0.282*
	(2.53)	(1.49)	(2.09)	(1.74)
ln_pop	0.152**	-0.289**	-0.401**	-0.357**
	(4.47)	(-3.57)	(-4.57)	(-4.20)
ln_gdp	-0.446**	-0.261**	-0.159	-0.0996
	(-4.21)	(-2.10)	(-1.43)	(-0.91)
FH	0.153	0.104	0.113	0.105
	(1.47)	(0.86)	(0.90)	(0.85)
polity	-0.0208	-0.0439	-0.0414	-0.0458
	(-0.81)	(-1.44)	(-1.25)	(-1.43)
war	-0.233	-0.0826	-0.0482	-0.149
	(-1.04)	(-0.31)	(-0.18)	(-0.56)
diffUSA	2.164**	1.901**	1.201**	1.680**
	(4.72)	(3.30)	(2.12)	(2.35)
sig_USA_mil			0.0887	0.0920
			(0.50)	(0.48)
USA_elig			0.673**	0.338
			(3.22)	(1.41)
LM_elig			1.286**	0.806**
			(5.10)	(2.95)
diffG7				-0.396
				(-0.49)
G7_elig				2.350**
				(2.85)
N	2822	2822	2822	2822
	Probit	Probit	Probit	Probit

t statistics in parentheses based on country clustered standard errors. Unreported year dummies.
* p<.1, ** p<.05

Table 3: Allocation

	(1) ln_WB_tofg	(2) ln_WB_tofg	(3) ln_WB_tofg	(4) ln_WB_tofg
ln_original_commitments		0.973**	0.970**	0.965**
		(26.48)	(26.52)	(26.25)
age_amt		0.0697	0.0578	0.0528
		(1.14)	(0.95)	(0.87)
age_amt2		-0.0139**	-0.0124*	-0.0117*
		(-2.00)	(-1.80)	(-1.68)
sal_count		0.0258**	0.0243**	0.0242**
		(2.41)	(2.28)	(2.27)
prj_count		-0.00462	-0.00603*	-0.00591*
		(-1.39)	(-1.82)	(-1.78)
ta_count		-0.00926	-0.0113	-0.0126
		(-0.80)	(-0.98)	(-1.09)
blend	0.164**	0.0346	0.0605	0.0675
	(2.08)	(0.54)	(0.94)	(1.05)
ln_pop	0.398	0.271	0.199	0.199
	(1.22)	(1.02)	(0.75)	(0.75)
ln_gdp	-0.0928	-0.0943	-0.0809	-0.106
	(-0.71)	(-0.88)	(-0.75)	(-0.98)
FH	0.210**	0.0790**	0.0868**	0.0876**
	(5.83)	(2.68)	(2.96)	(2.98)
polity	-0.0348**	-0.0189**	-0.0213**	-0.0217**
	(-3.94)	(-2.64)	(-2.99)	(-3.05)
war	-0.462**	-0.115	-0.119	-0.118
	(-4.70)	(-1.44)	(-1.50)	(-1.49)
diffUSA	0.925**	0.386**	0.382**	0.448**
	(5.05)	(2.58)	(2.54)	(1.99)
sig_USA_mil			-0.0325	-0.0329
			(-0.75)	(-0.76)
ln_USA_tofg			-0.00748	-0.00952
			(-0.75)	(-0.94)
ln_LM_tofg			0.103**	0.0953**
			(5.78)	(5.12)
diffG7				-0.127
				(-0.47)
ln_G7_tofg				0.0385
N	2613	2613	2613	2613
	FE	FE	FE	FE

t statistics in parentheses. Unreported year dummies.
* p<.1, ** p<.05
FE = country fixed effects

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Table 4: Comparisons

	(1) WB_elig	(2) WB_elig	(3) WB_eligc	(4) ln_WB_tofg	(5) ln_WB_tofg	(6) ln_WB_comm
blend	0.282*	-0.317	0.0791	0.0675	0.264**	-0.0328
	(1.74)	(-1.44)	(0.50)	(1.05)	(3.36)	(-0.31)
ln_pop	-0.357**	0.162**	0.262**	0.199	0.320	1.272**
	(-4.20)	(4.00)	(9.01)	(0.75)	(0.99)	(2.92)
ln_gdp	-0.0996	-0.373**	-0.417**	-0.106	-0.204	-0.175
	(-0.91)	(-2.63)	(-4.24)	(-0.98)	(-1.57)	(-0.98)
FH	0.105	0.276**	0.209**	0.0876**	0.207**	0.0785
	(0.85)	(2.91)	(3.64)	(2.98)	(5.73)	(1.60)
polity	-0.0458	-0.0353	-0.0165	-0.0217**	-0.0402**	-0.0196*
	(-1.43)	(-1.55)	(-1.08)	(-3.05)	(-4.55)	(-1.65)
war	-0.149	-0.966**	-0.716**	-0.118	-0.420**	-0.322**
	(-0.56)	(-3.90)	(-3.96)	(-1.49)	(-4.27)	(-2.45)
diffUSA	1.680**	1.599**	1.278**	0.448**	0.698**	0.242
	(2.35)	(2.75)	(2.80)	(1.99)	(2.53)	(0.61)
diffG7	-0.396	-0.828	-0.914	-0.127	-0.00723	0.122
	(-0.49)	(-1.17)	(-1.61)	(-0.47)	(-0.02)	(0.26)
sig_USA_mil	0.0920	0.578**	0.311**	-0.0329	0.0197	0.0421
	(0.48)	(4.03)	(3.04)	(-0.76)	(0.36)	(0.57)
USA_aid	0.338	0.499**	0.428**	-0.00952	0.0159	0.0171
	(1.41)	(3.56)	(3.65)	(-0.94)	(1.29)	(0.85)
G7_aid	2.350**	1.695**	0.360	0.0385	0.192**	-0.0583*
	(2.85)	(2.75)	(1.23)	(1.50)	(6.31)	(-1.90)
LM_aid	0.806**	0.773**	0.387**	0.0953**	0.125**	0.0572**
	(2.95)	(3.25)	(2.59)	(5.12)	(5.69)	(2.22)
N	2822	3369	3369	2613	2650	2044
	Probit	Probit	Probit	FE	FE	FE

t statistics in parentheses, based on country clustered standard errors for (1)-(3). Unreported year dummies.
* p<.1, ** p<.05

(1) & (4) repeat Column (4) of Tables 2 and 3 but do not report commitment and portfolio variables
(2) & (5) also based on disbursements but exclude commitment & portfolio variables. Sample includes cases with no original commitments
(3) & (6) based on current commitments.