Preventing the Negative Externalities of Development: Aid Compliance, Incomplete Contracts, and State Capacity*

Michael Denly†

October 8, 2024

For the most recent version of this paper, please visit:
https://mikedenly.com/research/aid-compliance-externalities

Abstract

This paper examines the potential negative externalities of foreign aid projects: that is, costs that accrue to people outside the aid transaction between the recipient state and the aid organization overseeing projects (the agent). Both the media and academia tend to blame agents for aid implementation problems. However, recipients are nowadays responsible for implementation, externalities can drastically affect people's livelihoods, and politicians want to avoid blame for aid failures. Accordingly, I argue that state capacity is a understudied explanation for aid externality prevention. To test the hypothesis, I compile new project-level datasets on World Bank Task Team Leaders and recipients' compliance with environmental and social risk management (safeguard) policies on involuntary resettlement, indigenous peoples, and the environment. Statistical support for the hypothesis suggests availability and representativeness biases in how academia and the media approach aid failures. More broadly, future scholarship needs to consider not just principal-agent relationships but principal-agent-recipient interactions and the role of incomplete contracts between agent and recipients. Otherwise, there is a risk of falling prey to a social engineering fallacy.

* I thank Ivan Besserer, Olgahan Cat, Daniel Chen, Danny Cowser, Mike Findley, Mirko Heinzel, Xiaobo Lü, Matt Malis, Laura Meinzen-Dick, Elena McLean, Kyle McNabb, Steve Nelson, Dan Nielson, Xin Nong, Tyler Pratt, Bernhard Reinsberg, Alex Wais, Rachel Wellhausen, and participants APSA's Annual Meeting, ISA's Annual Meeting, ECPR Joint Sessions, the Institute for Advanced Study in Toulouse, and the Workshop on International Financial Institutions (WIFI) for valuable feedback or comments. I also thank the following Research Affiliates at the University of Texas at Austin's Innovations for Peace and Development lab (IPD) and Texas A&M's Lab for Economic Development Research (LEDR) for assistance with the data collection: Carter Adams, Destiny Alvarez, Alyssa Ashcraft, Roxanne Bankhead, Anita Basavaraju, Sam Bennett, Mary Margaret Burniston, Mariana Caldas, Claudia Canfield, Lauren Childress, Monique Cooper, Ricardo Corona, Ji Na Gil, Colleen Goggin, Hannah Greer, Maria Fernanda Guerrero, Joelean Hall, Tara Jackson, Karan Kanatala, Samiya Javed, Judy Lane, Beomhak Lee, Julianna Leung, Vanessa Lizcano, Amanda Long, Aoife McDonnell, Ruth Mewhinney, Ana Karen Moreno Flores, Nicole Pownall, Briana Rocha, Katelyn Sammon, Mackenzie Sanderson, Kimberly Schuster, Taryn Shanes, Samantha Shoff, Mackenna Shull, Kyle Smith, Ayu Sofyan, Veronica Lulu Stracher, Adityamohan Tantravahi, Ethan Tenison, Skyler Thomas, Jade Tucker, and Jonathan Velasquez. All errors are uniquely my own.

†Assistant Professor, Texas A&M University ✉ mdenly@tamu.edu

In rural Paraguay, an aid project finances the construction of a road. Typically, such roads can help project beneficiaries access markets, schooling, and medical care. However, this road cuts through the land of an indigenous community, dividing its village in half. For its part, the staff from the multilateral development bank (MDB) supervising the project learn that the community does not hold a property title for the land. The three competing claims for the land, allegedly obtained via questionable means, thus endanger the community's rightful claim for compensation from involuntary resettlement. Nearby, another indigenous community with a property title cannot protect themselves from new agricultural settlers, who are a direct result of the road. Reportedly, the settlers threaten the community with violence, burn down its school, and convert precious forests into plots, destroying ecosystem services and people's livelihoods in the process (Tello, 2015, 37-40).

The above example illustrates a larger problem in international development: foreign aid projects administered by MDBs like the World Bank often create severe negative social and environmental externalities. These externalities not only affect people outside the aid transaction between the state and the aid financier but also occur with considerable frequency. For example, each year development projects cause the forced resettlement of about 15 million people (Cernea, 2008; Negi and Ganguly, 2011).[1] To address these problems, all MDBs and OECD countries giving bilateral aid have social and environmental risk management (safeguard) policies to prevent negative externalities for resettlement, indigenous peoples, and the environment (Greenstein, 2022, 173). By the same token, compliance with these policies is often wanting, resulting in major scandals that can even involve the loss of life. It is thus crucial to know: what drives compliance with safeguard policies? By extension, what prevents or mitigates the negative externalities of development?

In terms of which actor is most to blame for the negative externalities of aid projects, both the media and academic literature tend to put the onus on MDBs. Notably, the International Consortium of Investigative Journalists's (2015) multi-site and -year investigation

[1]For a study on the economic impacts of population resettlement, refer to Bazzi et al. (2016).

excoriated the World Bank in newspapers across the world for "regularly failing to follow its own rules" (e.g., Huffington Post, 2015). For its part, academic literature tends to examine such phenomena using the lens of the principal-agent framework and focus on agency slack (e.g., Hawkins et al., 2006*a*). Although the principal-agent framework is useful for examining governance relationships between powerful donor countries (principals) and MDBs (agents), the framework mostly neglects interactions between MDBs and recipient countries (Gutner, 2005).

Given that agents design and supervise aid projects, but recipients are responsible for implementation following the 2005 Paris Declaration on Aid Effectiveness (OECD, 2008), it is most useful to analyze safeguard policy implementation as a compliance problem. Due to the severe aforementioned consequences of aid externalities, as well as politicians' desires to avoid citizens blaming them for the externalities, I argue that state capacity is a primary driver of aid externality prevention.

To test the above hypothesis, the paper introduces new data on agents as well as new data on World Bank safeguard policy compliance. For the agent data, I made multiple World Bank transparency requests to receive the necessary input data to reconstruct and update Denizer, Kaufmann and Kraay's (2013) previously confidential measure of Task Team Leader (TTL) quality.[2] For the safeguard data, I individually coded all 2007-2015 World Bank investment lending projects with completed evaluation reports for safeguard policy compliance relating to resettlement, indigenous peoples, and natural habitat destruction, etc. I use Hanson and Sigman's (2021) state-of-the-art Bayesian measure for state capacity and numerous established measures of principal control, including World Bank Board membership, United Nations' General Assembly alignment with the United States, and temporary membership in the UN Security Council. I complement the above independent variables with numerous country- and project-level control variables. Given the ordered nature of the safeguard com-

[2]The new data differ from those of Limodio (2021) and Heinzel (2022), whose measures do not take into account the TTL at each Implementation Status Report (ISR).

pliance dependent variable, I use ordered multilevel logit models to estimate the extent to which principals, agents, and recipients matter for safeguard policy compliance.

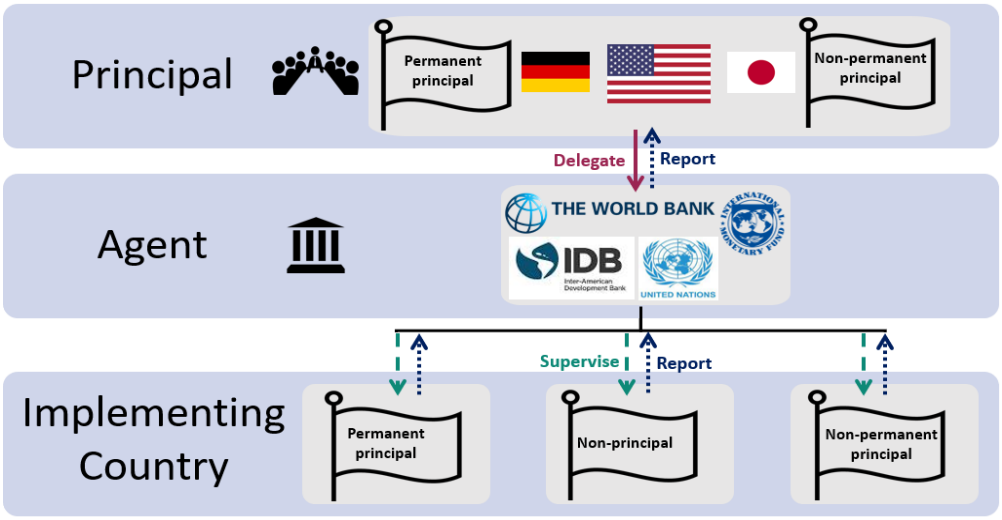
I find that both recipient state capacity and the agent—specifically, TTL quality—both explain very high amounts of variation in safeguard compliance outcomes. By contrast, none of the measures of principal control consistently explain variation. That also includes when I interact these principal control measures with both the TTL and state capacity variables.

This paper makes four contributions. First, the paper is one of the few to holistically analyze principals, agents, and recipients together. In doing so, the paper reaffirms the importance of the agent (e.g., Hawkins and Jacoby, 2006), shows that recipient capacity deserves more attention than it receives, and demonstrates that powerful donors exert less influence on salient phenomena than standard principal-agent accounts suggest (e.g., Nielson and Tierney, 2003; Stone, 2011). With respect to agent importance, the paper confirms the findings from a small number of articles authored by World Bank staff using similar TTL data: project-level features explain more variation in aid outcomes than macro-level country features (Denizer, Kaufmann and Kraay, 2013; Bulman, Kolkma and Kraay, 2017; Ashton et al., 2023). Alternatively put, agent contributions to project design and supervision significantly matter (Kilby, 2000, 2001; Limodio, 2021; Heinzel, 2022). In the case of the present paper, available metrics suggest that the TTL explains only slightly more variance than state capacity, and the raw odds ratios and marginal effects of state capacity on safeguard compliance are always higher than those of the TTL. Accordingly, principal-agent accounts that focus on agency slack are very much insufficient.

Second, the paper provides a framework for integrating the principal-agent and agent-implementer relationships. Per Figure 1, scholars can continue to examine delegation and reporting relationships between principals and agents, but agents also supervise recipients—and sometimes principals—through incomplete contracts.[3] On that score, it is nec-

[3]For an overview of incomplete contracts, see Hart (2017).

Figure 1: Principal-Agent and Agent-Implementer Interactions in Multilerateral Aid



essary to keep in mind Nielson and Tierney's (2005) clarification on Gutner (2005): agent-recipient relationships are not principal-agent ones. Agents do not grant recipients a (conditional) delegation of authority. Almost the opposite takes place: recipients grant agents authority to operate on sovereign territory, so agents always supervise the implementing recipient country in a weakened position. In incomplete contracting terms, the recipient country has residual control by virtue of its ownership status/sovereignty and can "hold-up" the aid agency (e.g., Hart, 2017, 1732-1733). The phenomenon is akin to the obsolescing bargain describing how multinational firms lose leverage after they make investments in recipient countries (Bennon and Fukuyama, 2022). That becomes even more clear when considering agents' disbursement imperative,[4] as well as the facts that agents often supervise powerful members of the UN Security Council or even their own principals (see Figure 1). In the case of the World Bank, aid recipients such as China and Brazil mostly enjoy permanent Board member positions, and countries such as Argentina generally rotate their Board positions within different country groupings (see Vreeland, 2011). Similar dynamics play out at other MDBs, too. Accordingly, recipient states and their interactions with principals and agents deserve more attention than the literature currently concedes.

[4]MDBs need to disburse to survive and, as a consequence, often do so when corruption or other issues should prevent them from doing so. See, for example, Booth (2011), Buntaine (2016), and Weaver (2008).

Third, the paper demonstrates that there is heterogeneity in aid compliance problems, as only some are strategic. While some literature focuses on how recipient factors affect aid compliance (e.g., Girod and Tobin, 2016), recipients' revenue options outside of aid, such as natural resources and foreign direct investment, are less relevant for environmental and social risk compliance. The reason why is that environmental and social aid externalities have more immediate political consequences than overall aid non-compliance. For example, politicians all over the world routinely decry the World Bank and International Monetary Fund (IMF) for the conditionality on their loans, and that is often politically popular. Indeed, there is a large literature on strategic noncompliance with international organizations (e.g., König and Mäder, 2014). By contrast, having an aid project destroy a rainforest or a sacred cultural site of indigenous peoples is rarely a strong political strategy. Even if politicians can deflect some part of the blame, it is generally bad publicity that they seek to avoid. Consistent with the managerial school (e.g., Chayes and Chayes, 1993), aid recipients aim to prevent aid externalities if they have the capacity to do so.

Fourth, the new data on safeguard policy compliance help overcome selection biases that impact how academia and the media understand protection of vulnerable people and the environment from the adverse impacts of aid. In particular, the present paper underscores what happens in terms of broader patterns, not just the *selected sample* of failures that reach the newspapers or Inspection Panels.[5] Essentially, the new data and empirical regularities that I show help overcome what Tversky and Kahneman (1974) famously described as availability and representativeness biases: that is, the ability of salient information to shape human thinking in biased ways. In turn, the present paper provides more representative data on indigenous populations, a supremely understudied topic not just in international relations but political science more broadly (Falleti, 2021).

[5]For more on quasi-judicial bodies like the World Bank Inspection Panel, see Fox (2002) and Zvobgo and Graham (2020). For more on newspaper stories, see International Consortium of Investigative Journalists (2015).

1. Negative Externalities and Foreign Aid

In the context of economics, "negative externalities are costs that accrue to parties other than [those] that produce them" (Krugman and Obstfeld, 2003, 277). Typically, negative externalities are social in nature, incur transaction costs for monitoring and governance, and outweigh the private benefits or rents that amass to the initiators of the transaction (Coase, 1960; Williamson, 1985). Accordingly, negative externalities are socially inefficient, arise from the lack of institutions such as property rights to correct for market failures, and thus harmfully affect societal provision of public goods (Arrow, 1970; North, 1981). Overcoming negative externalities in economics requires government regulation, a solution to the collective action problem, or an innovative arrangement between the affected parties (Olson, 1965; Ostrom, 1990; Ostrom, Walker and Gardner, 1992).

It is both possible and fruitful to apply what scholars know from negative externalities in economics toward foreign aid. In the context of foreign aid, negative externalities are the costs that accrue to the people outside the aid transaction between the aid financier (the agent) and aid-receiving state (the implementer). Generally, states have different capacities to prevent or mitigate negative externalities to people outside the aid transaction—i.e., project "beneficiaries". They are the very people that aid projects aim to support with, for example, public goods in health (e.g., vaccines), education (e.g., schooling), and infrastructure (e.g., roads, sanitation, flood protection).[6]

What, then, are the potential negative externalities of aid? Rajan and Subramanian (2011) argue that aid causes exchange rate woes and lowers economic competitiveness, but this is clearly only possible under certain circumstances: the aid flows have to be very large as compared a country's national GDP, which is usually not the case (Qian, 2015). Another set of scholars suggest that aid is a fungible non-tax revenue that prolongs the rule

[6] OECD (2017) provides a classification of the economic sectors and activities that aid projects support. By definition, public goods are both non-rival and non-excludable, and a large percentage of aid activities meet these criteria.

of authoritarian leaders, forestalls democratization, and fuels authoritarian reversals in a manner that is worse than oil.[7] However, other more recent studies contest these claims,[8] and aid agencies nowadays take great measures to control corruption in their projects (Rose-Ackerman and Carrington, 2013). Yet another suite of studies argue that aid or aid shocks fuel civil conflict (Nielsen et al., 2011; Crost, Felter and Johnston, 2014; Nunn and Qian, 2014; Dube and Naidu, 2015; Wood and Sullivan, 2015). By the same token, aid did not cause conflict on its own in any of the countries under study (e.g., Colombia, Mali, the Philippines); all of these countries had pre-existing civil conflict or tensions, and aid only added fuel to the fire. Finally, Lee and Platas (2015) examine the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and find that the targeted program had adverse downstream consequences on neonatal health outcomes.

What, then, are the potential negative externalities that can apply to every aid project and do not require pre-existing country-level development challenges or the study of long and complex causal chains?[9] The negative externalities that accrue to project beneficiaries when the state does not implement the social and environmental risk management policies of the aid financier provide a more complete, direct answer. When states do not adequately implement these policies, the relevant negative externalities that arise might outweigh the benefits of providing aid in the first place. That is why all bilateral donors from OECD countries and all major MDBs have relevant safeguard policies to prevent social and environmental aid externalities (Greenstein, 2022, 173). Failure to adequately implement safeguard protections has resulted in some of the most egregious and embarrassing humiliations in the history of foreign aid and development more broadly (Nielson and Tierney, 2003; Weaver, 2008; Buntaine, 2016). Beatings, forced migration, and large-scale deforestation are just a few examples. What prevents or mitigates such externalities?

[7] Djankov, Montalvo and Reynal-Querol (e.g., 2008), Bueno de Mesquita and Smith (2009), and Morrison (2012).
[8] e.g., Kono and Montinola (2009), Altincekic and Bearce (2014), Arndt, Jones and Tarp (2015), Bermeo (2016), and Findley et al. (2017).
[9] For more on aid's long and complex causal chains, see Bourguignon and Sundberg (2007) and Denly (2021).

2. State Capacity, Incomplete Contracts, and Preventing the Negative Externalities of Foreign Aid

Aid-receiving states, not agents, implement projects, and the most used definitions of state capacity stress implementation (e.g., Soifer and vom Hau, 2008; Besley and Persson, 2010; Centeno, Kohli and Yashar, 2017).[10] To properly and equitably implement aid, which often comes in the form of a public good, requires not just a monopoly of violence but also a capable, independent bureaucracy (see Weber, 1978; Evans and Rauch, 1999). States with these characteristics are generally able to enforce property rights, collect taxes in exchange for accountability, and overcome elite interests, internal conflict, and ethnic divisions that make public goods provision more difficult (Easterly and Levine, 1997; Fearon and Laitin, 2003; Miguel, 2004; Acemoglu, Johnson and Robinson, 2005; Besley and Persson, 2009, 2010). It thus follows that high-capacity states are more likely to better implement environmental and social risk management measures in foreign aid projects.

Another reason why state capacity matters so much in social and environmental compliance is that aid projects are subject to incomplete contracts and recipients having a significant power advantage. Because agents need to disburse money to survive, and closing poorly-performing projects is not in their economic interests, agents spend less effort on compliance matters that are not easily monitorable (Martens et al., 2002). Essentially, then, in the language of the incomplete contracts on firms, aid recipients can "hold up" agents (e.g., Hart, 2017). That becomes clearer when considering that agent-recipient interactions are not principal-agent relationships, because agents do not have sovereignty to operate on recipients' territory without their approval (Nielson and Tierney, 2005). When coupled with the fact that agents often have to supervise their principals (see Figure 1), it becomes even clearer that agents only have limited capacity to ensure compliance with its social and environmental protection policies. In starker terms, agents' abilities to *socially engineer* better

[10] All of these scholars draw from the Mann's (1984) definition of infrastructural power.

outcomes will always be limited (Ferguson, 1994; Pritchett, Woolcock and Andrews, 2013).

The above suggests that there is scope for more attention to recipient factors. Along those lines, Girod and Tobin (2016) show that overall aid compliance is a function of how recipients earn their revenue. More specifically, countries that earn their revenue largely through natural resources can afford to shirk more, because those revenues are large and substitute for potential aid windfalls. By contrast, countries that attract large foreign direct investment (FDI) inflows need to comply more, because lack of compliance might be poor signals for investment and, in turn, may induce capital flight. However, environmental and social risk management compliance is different from overall aid compliance, as the negative consequences of the environmental and social variant have immediate political consequences. To be more precise, politicians all over the world routinely decry the World Bank and International Monetary Fund (IMF) for the conditionality on their loans, and that is often politically popular—especially for left-wing governments (Smets, Knack and Molenaers, 2013). By contrast, having an aid project destroy a rainforest or a sacred cultural site of indigenous peoples is rarely a strong political strategy. Accordingly, states will prevent negative externalities if they have the capacity to do so.

> Hypothesis 1: State capacity is a crucial factor to explain the prevention of negative social and environmental aid externalities in aid projects.

As compliance scholars will discern, the above hypothesis is directly related to the management school and indirectly related to scholars emphasizing the role of domestic constituencies. The hypothesis aligns with the management school due its focus on capacity constraints (e.g., Chayes and Chayes, 1993). Some scholars divide the management school into countries facing resource constraints and others confronting neoinstitutionalist-oriented autonomy constraints (e.g., Börzel et al., 2010). However, it is difficult to distinguish the two in countries receiving development assistance, as both traits are *mostly* lacking in such a set of countries (e.g., Fukuyama, 2004).

With respect to domestic constituencies, it is possible that some may have power to oppose development-oriented reforms (e.g., Hellman, Jones and Kaufmann, 2003; Dai, 2005), but such action is more likely for structurally-oriented aid than project-oriented aid. Indeed, structurally-oriented aid with conditionalities can alter the composition of domestic interest groups and thereby yield strong backlash (Hollyer, 2010). Aid projects with potential negative environmental and social externalities, though, are more numerous and mainly provide public goods that are difficult for elites to oppose—even if they undermine some cadres (e.g., Lizzeri and Persico, 2004). It thus follows that although some aid projects may have compliance issues due to domestic constituencies, neither that nor strategic noncompliance will be the norm (e.g., König and Mäder, 2014). Instead, compliance will be the norm when states have relevant capacity because politicians are generally interested in credit-claiming, prolonging power, and not making enemies from aid (e.g., Cruz and Schneider, 2017; Baldwin and Winters, 2023).

Finally, it is worth underscoring why the predictions of the enforcement school (e.g., Keohane and Nye, 1977) or constructivist school emphasizing legitimacy or norms (e.g., Finnemore and Sikkink, 1998) do not overwhelm state capacity. While *some* countries will comply for legitimacy reasons (constructivism), and other countries may respond to the threat of sanctions (enforcement), it is necessary to recall the aforementioned incomplete contract between the agent and recipient. Of course, agents' ability to enforce compliance matters to some extent (e.g., Heinzel and Liese, 2021), but agents' ability to enforce all compliance is limited: recipients are aware of their hold-up power but, even more crucially, agents lack sovereignty to enforce outcomes on the ground (Nielson and Tierney, 2005).

3. Research Design

3.1. Dataset and Dependent Variable

To test the above hypotheses regarding state capacity and negative externality prevention or mitigation, I coded a new dataset of states' compliance with social and environmental risk management—i.e., safeguard policies—in World Bank projects. The World Bank was the first MDB to adopt safeguard measures in the late 1980s following severe negative externalities for failed projects in Brazil and India. In Brazil, these externalities included large-scale deforestation and the spread of tuberculosis and malaria to local, indigenous populations. In India, forced displacement led to a "long-march" of protests, ultimately resulting in 140 arrests and beatings of affected populations by local authorities (Weaver, 2008, 22-23). Since these low moments in the history of the World Bank, the institution rebounded and has served as a leader in the development of safeguard policies, yielding significant policy emulation across the different MDBs (Buntaine, 2016; Greenstein, 2022).

The dataset in the present paper only covers World Bank investment projects, which serve as the unit of analysis for this study. I exclude structural adjustment/policy projects because they do not have safeguards policies. For their part, Program for Results (PforR) projects do not have the same uniform usage of social and environmental risk management measures due to the flexible nature of the PforR lending instrument,[11] so I also exclude PforR loans.

With respect to the time period of study, the dataset covers all evaluated investment projects from 2007-2015. I chose 2007 as the starting year for two main reasons. First, although aid recipients implemented their own World Bank projects prior to the 2005 Paris Declaration on Aid Effectiveness, starting the analysis after 2005 made recipient ownership even more salient. Second, the World Bank finished converting the social and environmen-

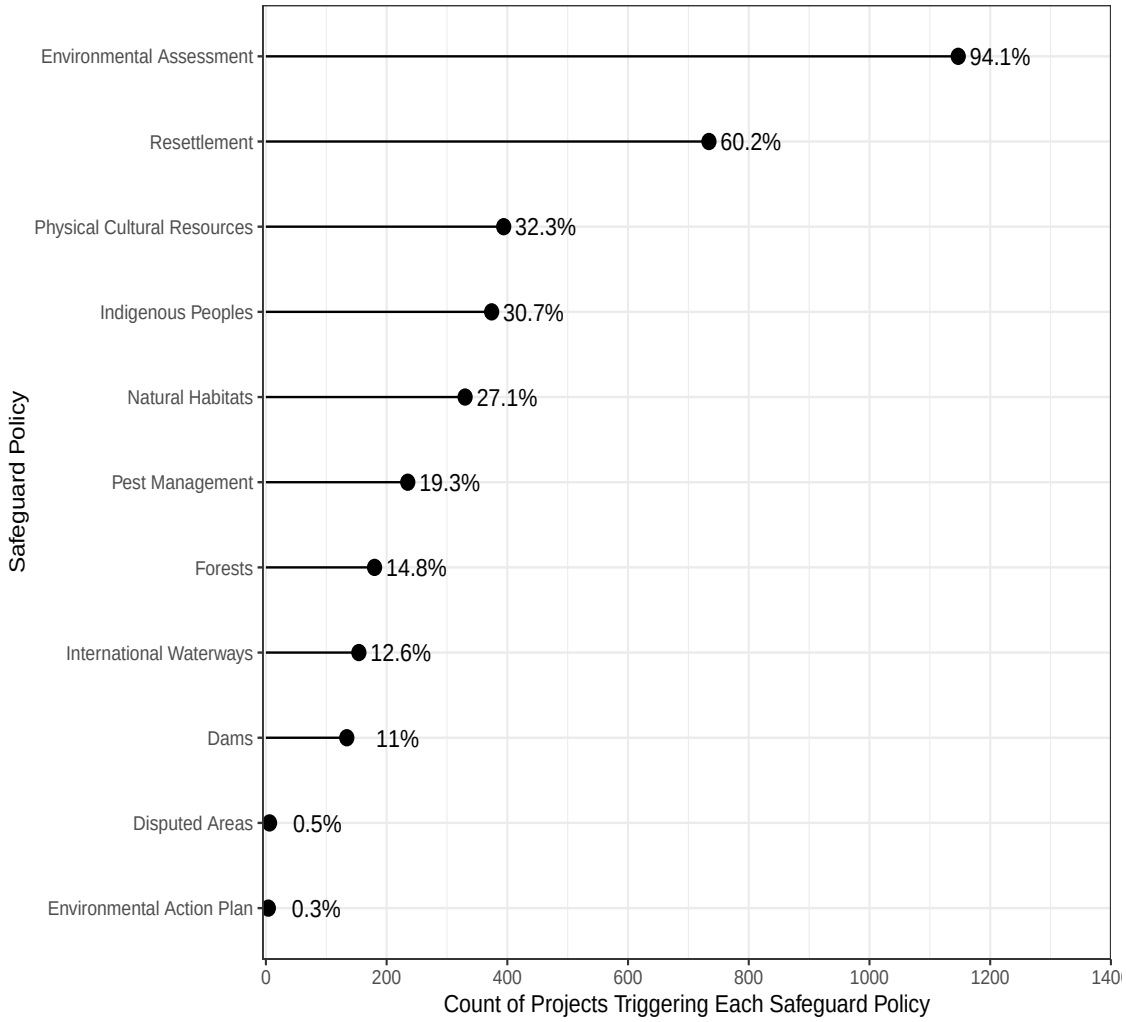
[11] See Winters (2010) and Winters and Kulkarni (2014) for more on the different types of World Bank lending instruments as well as when the institution decides to use one over the other.

tal risk management measures in Figure 2 from Operational Manual Statements to official Policies in 2006 (Independent Evaluation Group, 2010, 7). Starting with 2007 thereby prevents any potential problems with staff treating Operational Manual Statements different than Policies. Similarly, starting with 2007 reduces biases arising from implementers using the Operational Manual Statement and Policy distinction to reduce their safeguard policy compliance burden. Essentially, by 2007 safeguard policy inclusion happened a matter of course, as opposed to being subject to bargaining outcomes that may produce endogeneity. Given that it usually take 4-8 years to implement projects, another 6-12 months for relevant evaluation documents to be ready, and it is only possible to fully evaluate safeguard compliance on completed projects, the current ending year of the dataset is 2015. I also stopped in 2015 because the World Bank introduced a revised safeguards policy framework in 2016 (Greenstein, 2022).

Figure 2 provides a numerical breakdown of the safeguard policies triggered in the sample of 1,219 projects. The most frequently policies triggered include those regarding required environmental assessment (94%) and resettlement (60%). Projects trigger policies regarding physical cultural resources (32%), indigenous peoples (31%), natural habitats (27%), and pest management (19%) with relatively high frequency as well. With relatively less frequency, projects sometimes trigger policies regarding forests (15%), international waterways (13%), and dams (11%). Projects in the sample almost never trigger policies on disputed areas or required environmental action plans.

To measure the dependent variable, project-level compliance with World Bank safeguard policies, I coded the available evaluation documents for each project. Notably, I focused on Project Performance Assessment Reports (PPARs), Implementation Completion Reports (ICRRs), and project documents examined by the Independent Evaluation Group (IEG). Although IEG produces an overall borrower compliance score for each project that it

Figure 2: Safeguard Policies Triggered in the Sample



Source: Own coding.

evaluates, its scope is much broader than merely safeguards,[12] which is why the safeguard-specific coding was necessary. Implementation Completion Reports (ICRs) are generally written by consultants hired by each project's respective TTL, making them at least somewhat independent. However, the IEG PPARs and ICRRs provide another level of insulation against the potential downplaying safeguard issues in projects. In particular, the PPAR

[12] As Girod and Tobin (2016, 220) explain, citing Smets, Knack and Molenaers (2013), overall borrower compliance captures "the extent to which the borrower complied with covenants and agreements. The following criteria are taken into account: government ownership and commitment to achieving objectives, adequacy of stakeholder involvement, timely resolution of implementation issues, adequacy of M&E [Monitoring and Evaluation] arrangements and relationship with donors/partners."

is very extensive, often entailing visits to the implementing counting. By the same token, IEG does not evaluate all investment projects and tends to evaluate more positively performing projects (Kilby and Michaelowa, 2019), so I always examine both the ICR and IEG PPAR/ICRR. When other relevant documents are available, such as Project Papers detailing the safeguard performance of the first project in a supplemental financing project, I examine those documents as well.

Following Buntaine (2016, 92-93),[13] the safeguard compliance scores in the present study range from 1 (low compliance) to 4 (full compliance) corresponding with the policies in Figure 2. The difference between the present study's coding and that of Buntaine (2016) only pertains to the years under study. On that score, Buntaine (2016) examines 1990-2009, which is mostly prior to the World Bank's conversion of the safeguards Operational Directives to official Policies.

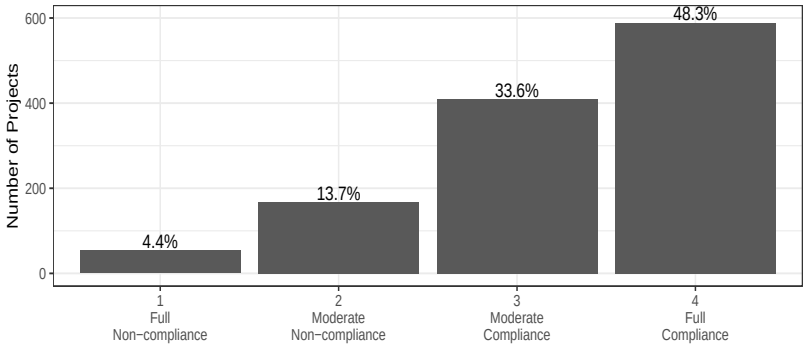
To ensure quality in the coding of safeguard compliance, all projects underwent at least two rounds of coding. One team member performed an initial review, then a more experience team member or I performed a double-check of the first team member's work. Additionally, I performed random triple-checks of some projects. When I did so, I never changed any of the final compliance scores.

Figure 3a provides summary statistics for projects that coded to date, and Figure 3b provides a map of average country-level compliance scores. As Figure 3a indicates, around 80% projects generally comply with the safeguard policies, as indicated by the share of projects with a compliance score of 3 (moderate compliance) or 4 (full compliance). Circa 21% of projects exhibit moderate-to-full non-compliance, as suggested by the shares of compliance scores with only 1 (full non-compliance) or 2 (moderate non-compliance). Table A1 provides the average results by country in numerical format.

[13] Buntaine (2016) uses safeguard compliance as an independent variable, not a dependent variable, to explain commitment patterns and how safeguard failures impact bureaucrat careers.

Figure 3: Summary Statistics of World Bank Safeguard Policy Compliance (2007-2015)

(a) Distribution of Compliance Levels



(b) Map of Average Compliance Levels by Country

Source: Own coding.

3.2. Independent Variables

3.2.1. Primary Independent Variable

I employ Hanson and Sigman's (2021) new measure for the primary independent variable, state capacity. Hanson and Sigman's (2021) state capacity variable stands out relative to competing frequentist measures.[14] Notably, Hanson and Sigman's (2021) measure uses a Bayesian measurement model to combine multiple indicators and overcome missing data

[14]See, for example, Hendrix (2010), Lee and Zhang (2017), and O'Reilly and Murphy (2022).

challenges in a way that competing frequentist measures cannot (see Fariss, Kenwick and Reuning, 2020). To capture the multiple, latent dimensions of state capacity, Hanson and Sigman (2021, 1502) include indicators on administrative efficiency, bureaucratic quality, budgetary quality, census frequency, fiscal capacity, information capacity, law and order, military expenditures, police expenditures, public administration, and taxation. In the present dataset, Hanson and Sigman's (2021) state capacity variable ranges from -1.667 to 1.55.

3.2.2. Agent (Project-Level) Variables

Following Denizer, Kaufmann and Kraay (2013) and Bulman, Kolkma and Kraay (2017), outcomes for safeguards, or any other project component, depend on project-specific features, especially the quality of the Task Team Leader (TTL). To capture the quality of the TTL, I made a transparency request to the World Bank to obtain full data on the name of the TTL at each mandatory, 6-month Implementation Status Report (ISR) for each project. After three rounds of back-and-forth, the World Bank sent me the data. I then combined these data with IEG data on project outcomes to calculate a cumulative TTL quality score prior to the approval date of each respective project. Given that the TTL often switches during a project's implementation, by necessity the TTL quality score reflects a weighted average of the number of ISRs for each TTL is responsible for each project. Given the complexities involved with coding these TTL quality data, Appendix D provides further details on the data construction and how it avoids endogeneity.

Other potentially important project-level confounding variables include project preparation costs and commitment amounts. Higher amounts spent on preparation might help eliminate safeguard compliance issues, and projects with higher commitment amounts might garner more attention during preparation. I include and deflate both variables to constant 2015 US dollars and then take their natural logs to decrease the risk of overdispersion affecting the results. Finally, although supervision costs may proxy for supervision effort designed to reduce safeguard compliance issues, I exclude them because they are clearly

post-treatment to any safeguard issues that arise—or what Angrist and Pischke (2008) call a "bad control". Additionally, the direction of post-treatment bias is hard to predict from a statistical perspective (Montgomery, Nyhan and Torres, 2018, 760).

3.2.3. Principal (Donor) Variables

Especially given that Nielson and Tierney's (2003) seminal article on the relevance of principal-agent theory to the MDBs came through a case study of a safeguard policy failure, it is essential to control for donor variables. Following Vreeland's (2019) review, I use three variable to capture powerful donor countries principals' interests. To capture formal influence these donor countries, I follow Kaja and Werker (2010) and add an indicator of whether the aid-receiving state was a member of the World Bank Board during the year of project approval. Next, I follow Dreher, Sturm and Vreeland (2009) and include an indicator variable of whether the country was a temporary member of the UN Security Council at the time of project approval. Additionally, I include Bailey, Strezhnev and Voeten's (2017) measure of the aid-receiving state's ideal point distance from the United States, the World Bank's most powerful shareholder. As Bailey, Strezhnev and Voeten (2017) explain, their ideal point measure captures dynamic state preferences through UN General Assembly voting and correlates at 0.92 with votes deemed "important" votes by the US State Department. For all of these donor variables, I follow Kilby and Michaelowa (2019) and merge based on the evaluation year, whereas I merge on the project approval year or fiscal year, as appropriate, for the other covariates—i.e., given that they pertain more to implementation.

3.2.4. State-Level Control Variables

Perhaps the main impediment to the implementation of safeguard policies is corruption. To control for corruption, I include the World Bank's Worldwide Governance Indicators' Control of Corruption estimate.[15] Given that many resettlement and social safeguards issues

[15]See Kaufmann, Kraay and Mastruzzi (2011) for a fuller description of the WGI.

often arise from lack of property rights (Tello, 2015), I also control for the Varieties of Democracy (V-Dem) project's measure property rights protection (see Lindberg et al., 2014). Because democracies are generally better at environmental protection than autocracies (e.g., Bernauer and Koubi, 2009), I further include V-Dem's overall democracy measure, which does not have the same measurement challenges as the commonly-used Polity measure (see Vreeland, 2008).

The final set of state-level control variables come from the World Bank's (2017) World Development Indicators (WDI). Given that wealthier countries may have greater bureaucratic infrastructures to deal with potential externalities in aid projects, I include a measure of log GDP per capita, deflated in constant 2015 US dollars. In line Girod and Tobin (2016), I also control for natural resource rents as a share of GDP and foreign direct investment as a share of GDP. Although safeguards are only one very portion of Girod and Tobin's (2016) measure of borrower compliance, it is feasible that these variables are relevant for safeguard compliance as well.

3.3. Empirical Strategy

A primary empirical strategy of this paper involves a multilevel ordered logit model with robust standard errors:

$$Pr(y^*_{compliance(i,j)}) = \wedge \left(\alpha_{country(j[i])} + \beta_{\text{state capacity}_{(i,j)}} + \beta_{controls_{(i,j)}}\right) \tag{1}$$

where subscripts i refer to the project and j to the implementing country; $\beta_{\text{state capacity}_{i,j}}$ represents the primary independent variable of interest; $\beta_{controls_{i,j}}$ are the aforementioned control variables; and $\alpha_{country(j[i])}$ is a random intercept that captures the (mostly) time-invariant country-level factors j for project i. Because the dependent variable, $y^*_{compliance(i,j)}$, has four ordered categories, it is possible to classify $y^*_{compliance(i,j)}$ in the following way, where τ_i are the cutpoints for each imposed category:

$$y_{compliance(i,j)} = \begin{cases} 1 \text{ (full non-compliance)}, & if \quad y^*_{compliance} \leq \tau_2 \\ 2 \text{ (moderate non-compliance)}, & if \quad \tau_2 < y^*_{compliance} \leq \tau_3 \\ 3 \text{ (moderate compliance)}, & if \quad \tau_3 < y^*_{compliance} \leq \tau_4 \\ 4 \text{ (full compliance)}, & if \quad \tau_4 < y^*_{compliance} \end{cases} \tag{2}$$

The multilevel specification is necessary because non-multilevel models assume independent error structures. Similar to Girod and Tobin's (2016) examination of overall, non-safeguard specific, aid compliance, such independent error structures are extremely unlikely to be relevant for the present estimations as well. Compliance rates are likely correlated across countries given different institutional factors, which makes the country-level nesting structure appropriate. As a robustness check, I also account for time variation by adding a random intercept $\nu_{year(t[i])}$, yielding the following specification:

$$Pr(y^*_{compliance(i,j,t)}) = \wedge \left(\beta_0 + \beta_{\text{state capacity}_{(i,j,t)}} + \beta_{controls_{(i,j,t)}} + \alpha_{country(j[i])} + \nu_{year(t[i])}\right) \tag{3}$$

4. Results

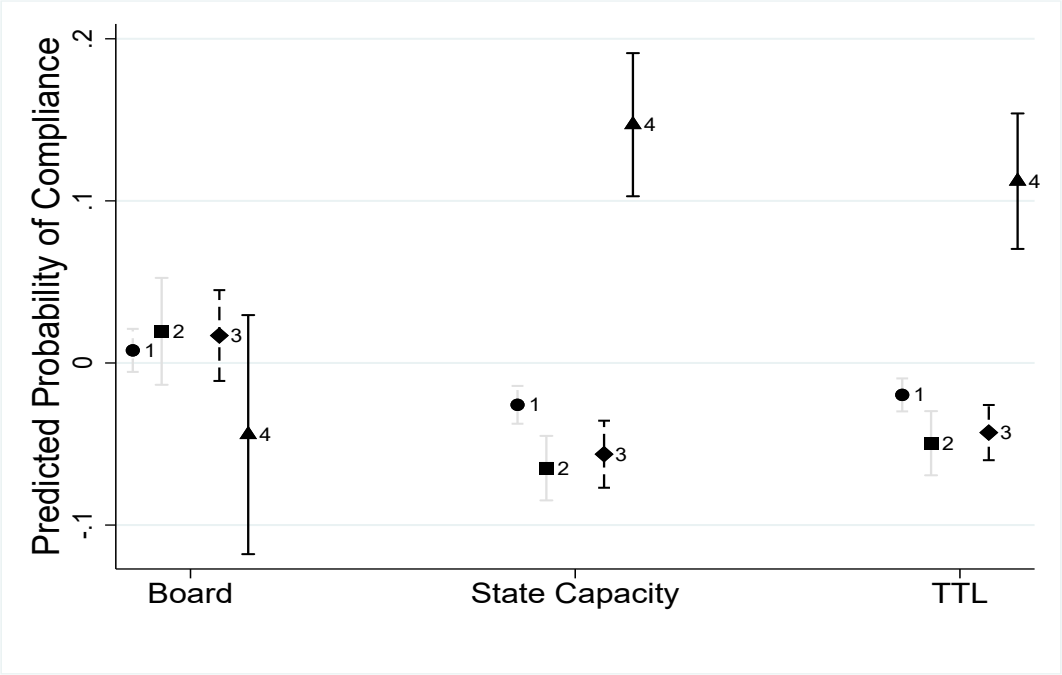
4.1. Main Results

Figure 4 presents the results from the main test of Hypothesis 1 in terms of average marginal effects, using the main country random intercept specification from Equation (1). Both in the base model without covariates and the full model with covariates, a one-unit increase in state capacity raises the probability of that a project has full, category-4 safeguard compliance by 14%. Given that Hanson and Sigman's (2021) state capacity variable ranges from circa -1.67 to 1.55 in this dataset, a one-unit increase in state capacity corresponds to a 32% increase in the variable.[16] These magnitudes are very high. An indicator of the consistency in state capacity's ability to explain compliance is that it is statistically

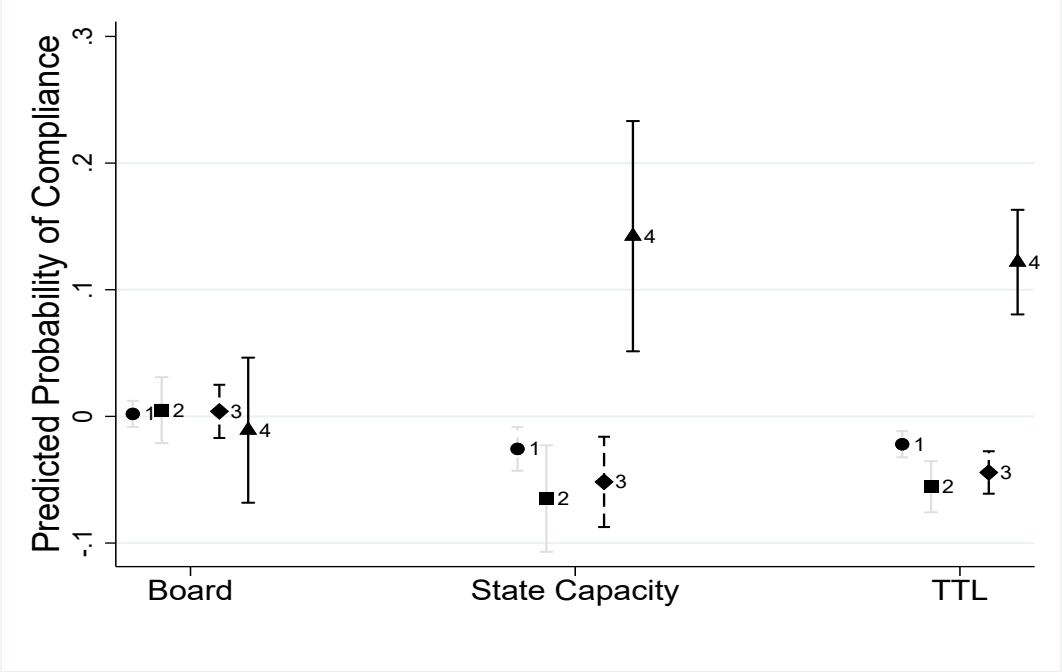
[16] $1/(1.67 + 1.55) = 0.32$

Figure 4: Marginal Effects (Country Random Intercept Model)

(a) Base Model (No Controls)



(b) Model with Full Controls



Note: Ordered logit model with a country random intercept as well as robust standard errors.

Table 1: Model Performance Metrics (Country Random Intercept Models)

Specification	AIC	BIC	Conditional R^2	Marginal R^2	RMSE	σ residuals
SC Base	2530.40	2555.52	0.10	0.04	2.93	1.81
TTL Base	2519.34	2544.43	0.12	0.03	2.93	1.81
SC Full	2447.06	2532.05	0.13	0.10	2.93	1.81
TTL Full	2388.24	2472.87	0.16	0.12	2.92	1.81

Note: "SC" corresponds to state capacity; "Base" corresponds to the base model without the full controls. The SC models exclude the TTL variable. By contrast, the TTL models exclude the state capacity variable.

significant at the 1% level in both the base and full models for all four outcome categories. Indeed, compliance categories 1-3 all have highly statistically significant and negative values, suggesting that projects operating in states with high capacity are much less likely receive these lower compliance scores. Table B1 further provides the odds ratios, which suggest similar interpretations of the results.

Per Figure 4, the TTL variable is also a very statistically significant, positive predictor of category-4 compliance outcomes as well as a statistically significant predictor of more negative category 1-3 compliance outcomes. In terms of average marginal effects, a one-unit increase in the TTL category raises the probability of receiving a category-4, full compliance score by 11% in the base model and 12% in the full model. The TTL variable ranges from 1 to 5.96 in this dataset, so a one-unit increase corresponds to a 20% increase in the variable.[17] It is thus possible to infer these effect sizes are large.

To answer the question of whether the TTL variable or state capacity explains more variance, I re-run both the base and full models without each respective variable. Then, I assess the models across numerous metrics in Table 1. As the data suggest, the models with the TTL variable fits slightly better according to the Akike Information Criterion (AIC), Bayesian Information (BIC), and root mean squared error (RMSE). Furthermore, the TTL models have slightly higher conditional and marginal R^2 values, suggesting that TTL explains more variance.

[17] 1/(5.96-1) =.20

I do not include the World Bank Board variable in the above analyses because it does not consistently predict compliance. On that score, Figure 4 suggests that it is equally poor at predicting noncompliance outcomes 1-2 as compliance outcomes 3-4. In short, it is very difficult to conclude that that the Board has any consistent impact on safeguard policy compliance outcomes, and the same is true for other principal-related measures of temporary UNSC appointments and UNGA voting alignment with the US measured through ideal points. Per Abadie (2020), statistical nonsignificance is often more informative than significance itself. Accordingly, the results take on special meaning given that Nielson and Tierney's (2003) seminal article on principal-agent theory's relevance to MDBs uses safeguard failure as a case study. I do not interpret further control variables due to the Table 2 fallacy and the difficulty associated with their interpretation (Westreich and Greenland, 2013).

Finally, Figure C.1 presents results from the models with country and year random intercepts, consistent with Equation (3). Overall, the results are almost identical to those from Figure 4, so I do not discuss these results further.

4.2. Moderation Analyses

Although I do not find that the principal has any direct effects on the safeguard compliance outcomes, it is possible that the principal could moderate the results. More specifically, interacting the principal variables with the state capacity and TTL variables might negatively or positively shift outcomes in one direction, so that is what I test here. In this draft, I just present the results for the World Bank board, but the results are similar for the other principal-related variables.

With respect to the Board's ability to moderate State Capacity, there is not much evidence for such a relationship. As Figure 5 shows, the confidence intervals for the average marginal effects plots all clearly overlap with 0. Indeed, the p-values for each of the four categories of compliance hover around 0.6 and generally quite wide, especially for the full

compliance category of 4. The models with and without controls are also similar.

The Board's ability to moderate the TTL variable is also weak. Again, the confidence intervals overlap 0 for all of the compliance levels, as Figure 6 shows. While p-values are circa 0.2, which is lower and provides more confidence than the interactions with state capacity, the numbers are still not sufficient to draw any firms conclusions. Overall, the evidence for moderation is low.

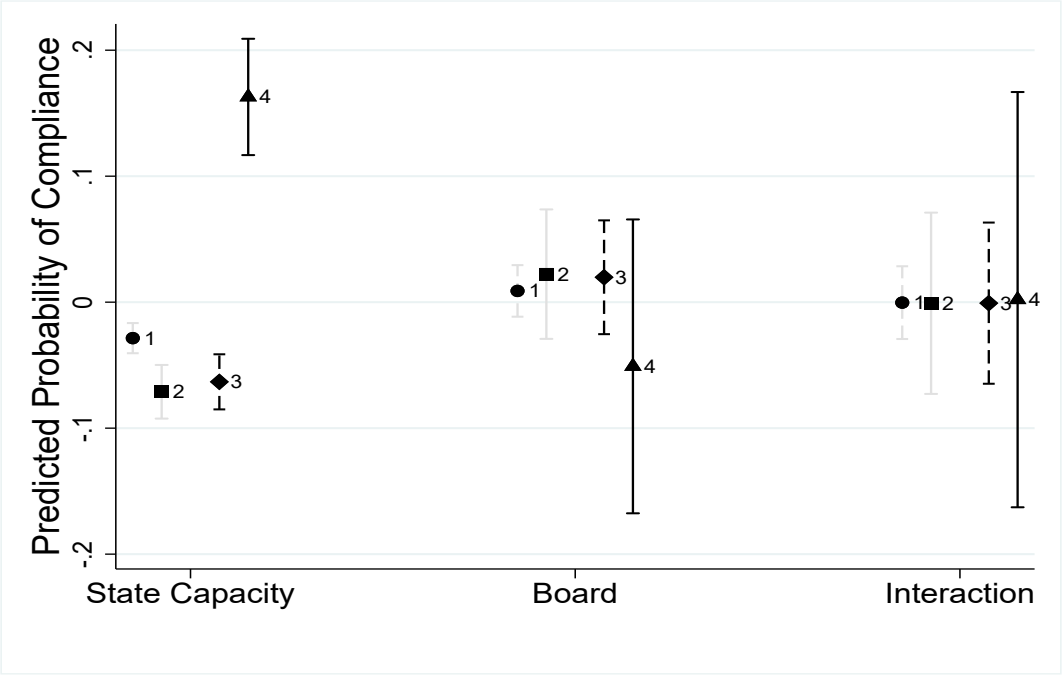
5. Implications for Theory, Policy, and External Validity

It is worth repeating that the above results correspond to the World Bank, which is the aid agency with the most developed environmental and social safeguard policies to prevent negative aid externalities. Over time, other MDBs and bilateral aid agencies have emulated the World Bank's policies (Greenstein, 2022), but that emulation and implementation after emulation takes time. It is thus clear that the above results correspond to what case study scholars call an "extreme case" (see Gerring, 2017). What that means here is that the World Bank is more likely than other aid agencies to have the ability to design projects that prevent or mitigate aid externalities. For this reason, state capacity is likely to be even more essential for determining safeguard outcomes at other MDBs and bilateral aid agencies with less safeguard policy experience.

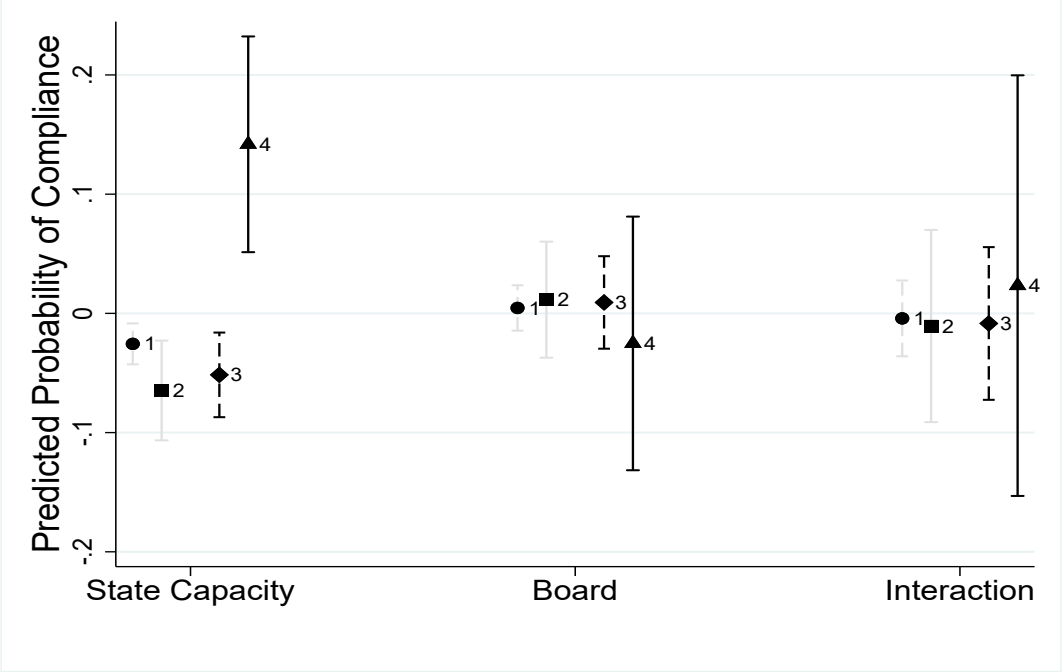
More broadly, the importance of state capacity in driving results calls into question the focus of previous media exposés on safeguards as well as the previous academic literature. In line with the Paris Declaration on Aid Effectiveness (2005), the World Bank generally does not implement its own projects, so it also does not implement its own safeguard policies. Furthermore, the cases that reach quasi-judicial accountability bodies like the World Bank

Figure 5: Marginal Effects State Capacity Moderation Analyses (Country Intercept Model)

(a) Base Model (No Controls)



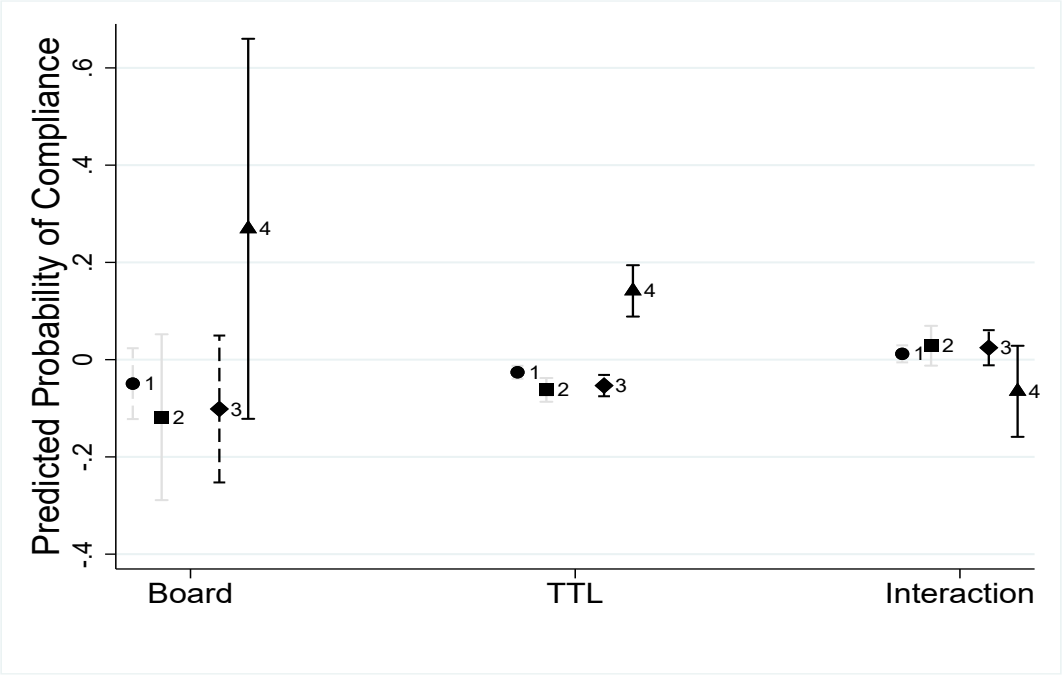
(b) Model with Full Controls



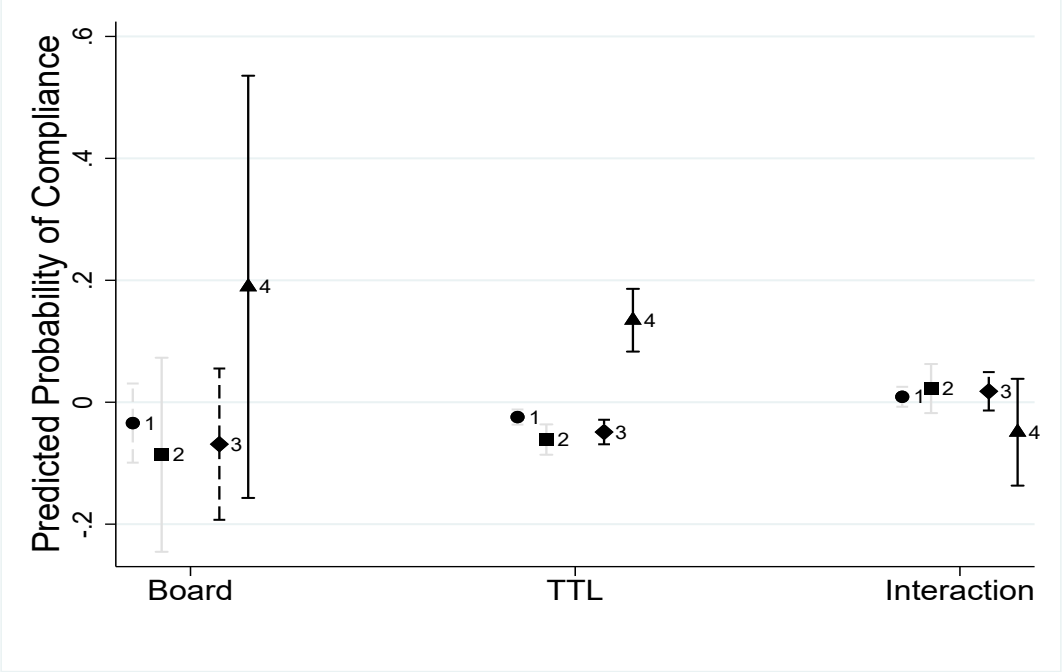
Note: Ordered logit model with a country random intercept as well as robust standard errors.

Figure 6: Marginal Effects TTL Moderation Analyses (Country Intercept Model)

(a) Base Model (No Controls)



(b) Model with Full Controls



Note: Ordered logit model with a country random intercept as well as robust standard errors.

Inspection Panel are a *selected sample* extreme safeguard policy failures.[18] For this reason, the focus of media exposés—including that of the highly-respected International Consortium of Investigative Journalists (2015)—and the academic literature on inspection panels and their findings does not provide a full picture safeguard compliance. More specifically, previous media exposés and literature are subject to what Tversky and Kahneman (1974) famously called availability and representative biases. Only by examining the full range of safeguard policy outcomes can scholars and lay audiences understand that compliance, not significant policy failure, is the norm.

Another implication of the findings is that the dominant framework for theorizing about foreign aid, the principal-agent model, likely needs augmentation to better capture dynamics with recipient countries. To be clear, the seminal work from Pollack (1997), Nielson and Tierney (2003), and Hawkins et al. (2006*b*), among others, remains highly relevant and useful for capturing dynamics between principals and agents. However, the literature's focus on principals and agents has come at the neglect of recipient state capacity issues, and the statistical results in the present paper suggest that neglect is costly. To remedy this issue, I propose supplementing the principal-agent model with a second level focusing on the incomplete contract between the agent and aid recipient country implementer (see Figure 1). Doing so will enable the academic literature to make better sense of the true nature of foreign aid, which is subject to hold-up problems and other agent-implementer power dynamics that prevent agents from *engineering* outcomes in the way that the principal-agent model focusing on agency slack suggests. After all, all foreign aid—regardless of whether it is bilateral or multilateral in nature—has not two but three main actors: principals, agents, and recipients/implementers.

[18] For more on inspection panels, see Fox (2002).

6. Conclusion

Even if an aid project accomplishes all of its objectives, its potential negative externalities—such as destruction of habitats, involuntary resettlement, and the loss of indigenous cultural property—can outweigh the benefits of undertaking an aid project in the first place. The present paper is thus not about reaching aid effectiveness targets but making sure that those targets are not achieved at all costs. In contrast to the previous literature on aid externalities, which focuses on externalities deriving from long causal chains, the present paper examines the direct social and environmental negative externalities of aid. It does so by examining aid recipients' project-level compliance with World Bank social and environmental safeguard policies (see Figure 2).

Consistent with past literature, I find that agency matters, but also I find that state capacity is a primary predictor of safeguard policy compliance—and, by extension, the prevention or mitigation of negative aid externalities. These results are consistent with my broader theory. It stresses that agent-implementer interactions are subject to incomplete contracts, hold-up problems, and political incentives that differ from typical aid compliance scenarios (see Girod and Tobin, 2016). In the case of safeguard policy compliance, noncompliance in the form of, say, destruction of a rainforest or indigenous people's land rarely constitutes strong political strategy. That is why aid recipients, regardless of their political regime, generally attempt to avoid negative aid externality outcomes if their state has the capacity to do so. Clearly, the large literature on compliance comes to a different conclusion, stressing that compliance is rarely so straightforward or self-enforcing (e.g., Simmons, 2010). By the same token, that is why environmental and social aid compliance is distinct from broader aid compliance and deserves further study.

More broadly, the present study responds to what Falleti (2021) called the "invisibility" of indigenous issues to political science and provides some cross-country, quantitative data to

better understand these topics and related environmental ones.[19] I say "better understand" because the literature and media has to date focused on anthropological case studies and a very *selected sample* of projects that reach accountability bodies like the Inspection Panels (e.g., Fox, 2002; International Consortium of Investigative Journalists, 2015; Tello, 2015; Zvobgo and Graham, 2020). To further overcome availability and representativeness biases, future research can use the new data advanced in this article to investigate when state capacity breaks down. By doing so, scholars and policymakers will be able to better protect indigenous communities and the environment from the negative externalities of foreign aid.

[19] Notably, Falleti (2021) finds that that the top-3 journals—*American Journal of Political Science*, *American Political Science Review*, and *Journal of Politics*—only published 11 articles with the word "indigenous" in the title or abstract from 1990-2020.

Appendix A Safeguard Compliance Scores by Country

Table A1: Compliance Scores by Country (Coded Projects)

Country	N	Mean	Std. Dev.	Minimum	Maximum
Afghanistan	21	2.952381	.8646497	1	4
Albania	8	3.875	.3535534	3	4
Angola	5	3	1.224745	1	4
Antigua and Barbuda	1	1	.	1	1
Argentina	24	3.333333	.7019641	2	4
Armenia	12	3.5	.522233	3	4
Azerbaijan	12	3.583333	.7929615	2	4
Bangladesh	29	3.482759	.5744991	2	4
Belarus	7	3.857143	.3779645	3	4
Belize	2	3.5	.7071068	3	4
Benin	11	3.363636	.504525	3	4
Bhutan	5	3.6	.5477226	3	4
Bolivia	10	3.6	.6992059	2	4
Bosnia & Herzegovina	10	3.5	.7071068	2	4
Botswana	2	2	0	2	2
Brazil	47	3.234043	.7860956	1	4
Bulgaria	4	3.75	.5	3	4
Burkina Faso	13	3.230769	.7250111	2	4
Burundi	10	3.2	.9189366	2	4
Cabo Verde	2	4	0	4	4
Cambodia	6	3.833333	.4082483	3	4
Cameroon	13	2.923077	.8623165	2	4

Continued on next page

Table A1 : Compliance Scores by Country (Coded Projects) – *continued*

Country	**N**	**Mean**	**Std. Dev.**	**Minimum**	**Maximum**
Central African Republic	6	2.333333	.8164966	1	3
Chad	8	2.75	1.164965	1	4
Chile	1	4	.	4	4
China	106	3.632075	.6222153	1	4
Colombia	10	3.6	.6992059	2	4
Comoros	1	4	.	4	4
Congo, DRC	15	2.733333	.8837151	1	4
Congo, Republic of	7	3.571429	.5345225	3	4
Costa Rica	2	3.5	.7071068	3	4
Cote d'Ivoire	11	3.272727	1.00905	1	4
Croatia	8	3.625	.5175492	3	4
Djibouti	8	3.25	.46291	3	4
Dominican Republic	7	3.857143	.3779645	3	4
Ecuador	4	3.25	.9574271	2	4
Egypt	14	3.071429	.997249	1	4
El Salvador	4	3.5	.5773503	3	4
Ethiopia	24	2.541667	1.102533	1	4
Gabon	3	2	1	1	3
Gambia, The	4	2.75	1.258306	1	4
Georgia	9	3.222222	.4409586	3	4
Ghana	15	3.133333	1.060099	1	4
Guatemala	3	4	0	4	4
Guinea	8	3.5	.5345225	3	4
Guinea-Bissau	5	3.2	1.30384	1	4

Continued on next page

Table A1 : Compliance Scores by Country (Coded Projects) – *continued*

Country	**N**	**Mean**	**Std. Dev.**	**Minimum**	**Maximum**
Guyana	1	4	.	4	4
Haiti	16	2.6875	.8732125	1	4
Honduras	11	3.454545	.6875517	2	4
India	75	3.186667	.9107961	1	4
Indonesia	23	3.130435	.8688732	1	4
Iraq	2	1.5	.7071068	1	2
Jamaica	4	3.75	.5	3	4
Jordan	5	3.8	.4472136	3	4
Kazakhstan	6	3	1.264911	1	4
Kenya	18	2.833333	1.150447	1	4
Kiribati	3	3.333333	.5773503	3	4
Kosovo	4	3.75	.5	3	4
Kyrgyz Republic	13	3.615385	.6504436	2	4
Lao PDR	15	3.733333	.5936168	2	4
Lebanon	1	4	.	4	4
Lesotho	6	3.5	.83666	2	4
Liberia	11	2.818182	1.250454	1	4
Macedonia	6	2.833333	.7527727	2	4
Madagascar	7	2.857143	.8997354	2	4
Malawi	11	2.818182	.8738629	2	4
Maldives	2	2	1.414214	1	3
Mali	9	2.777778	.8333333	1	4
Marshall Islands	1	4	.	4	4
Mauritania	2	3.5	.7071068	3	4

Continued on next page

Table A1 : Compliance Scores by Country (Coded Projects) – *continued*

Country	**N**	**Mean**	**Std. Dev.**	**Minimum**	**Maximum**
Mauritius	1	4	.	4	4
Mexico	16	3.625	.7187953	2	4
Micronesia	2	4	0	4	4
Moldova	8	3.625	.7440238	2	4
Mongolia	5	3.6	.8944272	2	4
Montenegro	6	3.666667	.5163978	3	4
Morocco	7	3.285714	.7559289	2	4
Mozambique	19	3.105263	.875261	2	4
Myanmar	6	3	.6324555	2	4
Nepal	23	2.782609	.5997364	2	4
Nicaragua	12	3.583333	.6685579	2	4
Niger	10	3.1	.7378648	2	4
Nigeria	24	3.125	.8998792	1	4
Pakistan	19	3.210526	.976328	1	4
Panama	6	2.5	1.048809	1	4
Papua New Guinea	8	3.25	.7071068	2	4
Paraguay	4	3.25	.9574271	2	4
Peru	16	3.1875	.9105859	1	4
Philippines	9	3.555556	.8819171	2	4
Poland	1	4	.	4	4
Romania	1	4	.	4	4
Russia	3	3.666667	.5773503	3	4
Rwanda	9	3.777778	.6666667	2	4
Samoa	6	3.166667	1.169045	1	4

Continued on next page

Table A1 : Compliance Scores by Country (Coded Projects) – *continued*

Country	**N**	**Mean**	**Std. Dev.**	**Minimum**	**Maximum**
Sao Tome and Principe	2	3.5	.7071068	3	4
Senegal	14	3	.877058	1	4
Serbia	9	3.222222	1.092906	1	4
Sierra Leone	5	3.2	.83666	2	4
Solomon Islands	4	3.75	.5	3	4
South Africa	1	3	.	3	3
South Sudan	2	3	0	3	3
Sri Lanka	14	3.214286	.8925824	1	4
St. Lucia	1	3	.	3	3
St. Vincent & Grenadines	1	4	.	4	4
Swaziland	2	3	0	3	3
Tajikistan	7	3.285714	1.112697	1	4
Tanzania	18	2.944444	.7253577	2	4
Timor-Leste	5	3.4	.8944272	2	4
Togo	6	3.166667	.7527727	2	4
Tonga	5	3.4	.5477226	3	4
Tunisia	7	3.142857	.8997354	2	4
Turkey	10	3.5	.8498366	2	4
Uganda	17	2.529412	1.007326	1	4
Ukraine	6	3.666667	.5163978	3	4
Uruguay	5	3.6	.5477226	3	4
Uzbekistan	9	3	.8660254	1	4
Vanuatu	1	2	.	2	2
Vietnam	47	3.574468	.5802803	2	4

Continued on next page

Table A1 : Compliance Scores by Country (Coded Projects) – *continued*

Country	**N**	**Mean**	**Std. Dev.**	**Minimum**	**Maximum**
Yemen	4	2.25	1.258306	1	4
Zambia	7	2.714286	1.380131	1	4
Total	1219	3.257588	.8553499	1	4

Source: Own coding.

Appendix B Additional Regression Tables

Table B1: Compliance with World Bank Safeguard Policies 2007-2015
(Ordered Logit Model with Country Random Intercept)

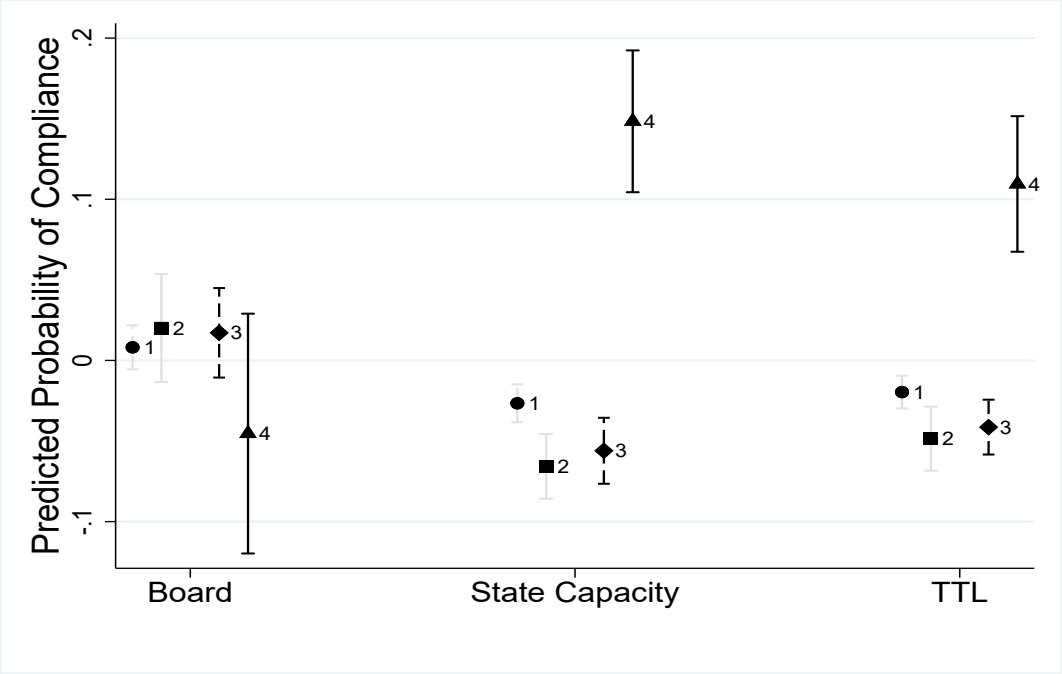
	(1)	(2)	(3)	(4)
Board	0.8224	0.9516	0.8138	0.9506
	(0.1364)	(0.1266)	(0.1406)	(0.1313)
State capacity	1.9159***	1.9115***	1.9619***	1.9871***
	(0.2051)	(0.4004)	(0.2179)	(0.4494)
TTL	1.6422***	1.7412***	1.6444***	1.7455***
	(0.1588)	(0.1710)	(0.1626)	(0.1757)
GDP per capita (log)		1.3737***		1.3807***
		(0.1585)		(0.1602)
Democracy		0.4851		0.4587
		(0.2273)		(0.2229)
Property rights		0.8902		0.9185
		(0.4232)		(0.4492)
Corruption control		0.7192		0.7086
		(0.1701)		(0.1706)
US ideal point dist.		0.9644		0.9662
		(0.1577)		(0.1631)
Temp. UNSC		0.9156		0.9297
		(0.2337)		(0.2517)
Civil war		0.8776		0.8834
		(0.1531)		(0.1642)
FDI		1.0245*		1.0254*
		(0.0149)		(0.0151)
Natural resources		0.9906		0.9904
		(0.0090)		(0.0092)
Commitments (log)		0.6631***		0.6530***
		(0.0804)		(0.0808)
Preparation cost (log)		1.0815		1.0835
		(0.0995)		(0.1006)
Cutpoint 1	0.3043***	0.0098***	0.2885***	0.0075***
	(0.1308)	(0.0161)	(0.1271)	(0.0132)
Cutpoint 2	1.6689	0.0558*	1.6231	0.0443*
	(0.6717)	(0.0910)	(0.6704)	(0.0765)
Cutpoint 3	9.0724***	0.3122	9.2046***	0.2612
	(3.5846)	(0.5148)	(3.7117)	(0.4523)
Country Intercept	1.2467**	1.0691	1.2311**	1.0467
	(0.1232)	(0.0720)	(0.1261)	(0.0775)
Year Intercept			1.1579	1.1948
			(0.1225)	(0.1408)
Observations	1115	1094	1115	1094

Coefficients are odds ratios; robust standard errors in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

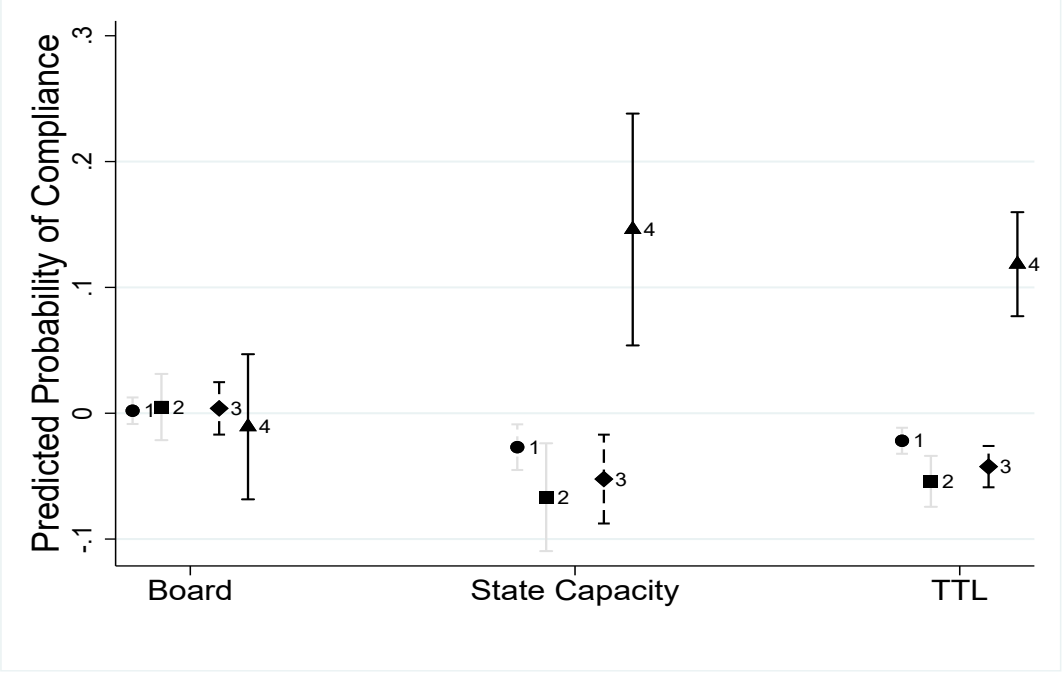
Appendix C Additional Figures

Figure C.1: Marginal Effects (Country and Year Intercepts Model)

(a) Base Model (No Controls)



(b) Model with Full Controls



Note: Ordered logit model with country and year random intercepts as well as robust standard errors.

Appendix D TTL Data Coding and Cleaning Details

To calculate the average TTL rating by project, it was necessary to use two sets of data: (i) the TTL name at each (mostly) bi-annual Implementation Status Report (ISR) for each project; and (ii) the Independent Evaluation Group (IEG) outcome rating of each project. The IEG outcome data are easily accessible online, whereas the TTL name at each ISR is only available from the transparency request that I made. Using both sets of data, I calculated the rolling weighted average TTL outcome rating for each day that the TTL is in the World Bank system. The daily rating is necessary because projects frequently take more than five years to implement, and TTLs often change jobs. Indeed, the World Bank uses a 3-5-7 staff rotation timeline for its staff.

After creating the daily dataset of circa 40 million observations, I merge the rolling weighted average TTL outcome score for each IEG-rated project up to each particular day with the ISR dataset. That merge allows us to pinpoint the average TTL rating at each ISR date for every project. Given that the average TTL outcome rating for each date represents a weighted rolling average, it only considers IEG ratings for closed projects up to each particular day. By extension, the rating does not improperly take into account IEG ratings for projects that close at a later time in the dataset.

Finally, it is necessary to clarify what the "weighted" part refers to in the rolling weighted average. On that score, the final average TTL rating score is weighted because, after completing the merge with the ISR dataset, the rating takes into account the number of ISRs that each TTL completed. To make this more concrete, take, for example, a project that is under implementation for five years. Given that ISRs take place approximately every six months, let us assume that the project has a total of 10 ISRs. If a TTL named Jim completed 4 of the ISRs and another TTL named Valerie completed 6 of the ISRs, the final TTL outcome rating for the project will reflect 4 day-specific ISR ratings for Jim as well as 6 day-specific ratings for Valerie. By extension, 40% of the weighting for the project-specific

TTL rating will capture Jim's average IEG outcome for all of his previous projects, whereas 60% of the rating will reflect Valerie's average IEG outcome for all of her previous projects.

References

Abadie, Alberto. 2020. "Statistical Nonsignificance in Empirical Economics." *American Economic Review: Insights* 2(2):193–208.

Acemoglu, Daron, Simon Johnson and James A. Robinson. 2005. Institutions as a Fundamental Cause of Long-Run Growth. In *Handbook of Economic Growth*, ed. Philippe Aghion and Steven N Durlauf. Vol. 1A Elsevier B.V. pp. 385–472.

Altincekic, Ceren and David H. Bearce. 2014. "Why There Should Be No Political Foreign Aid Curse." *World Development* 64(October 2012):18–32.

Angrist, Joshua D. and Jörn-Steffen Pischke. 2008. *Mostly Harmless Econometrics: An Empiricist's Companion*. Princeton, New Jersey: Princeton University Press.

Arndt, Channing, Sam Jones and Finn Tarp. 2015. "Assessing Foreign Aid's Long-run Contribution to Growth and Development." *World Development* 69:6–18.

Arrow, Kenneth J. 1970. Political and Economic Evaluation of Social Effects and Externalities. In *The Analysis of Public Output*, ed. Julius Margiolis. NBER chapter 1, pp. 1–23.

Ashton, Louise, Jed Friedman, Diana Goldemberg, Mustafa Zakir Hussain, Thomas Kenyon, Akib Khan and Mo Zhou. 2023. "A Puzzle with Missing Pieces: Explaining the Effectiveness of World Bank Development Projects." *World Bank Research Observer* 38:115–146.

Bailey, Michael A., Anton Strezhnev and Erik Voeten. 2017. "Estimating Dynamic State Preferences from United Nations Voting Data." *Journal of Conflict Resolution* 61(2):430–456.

Baldwin, Kate and Matthew S. Winters. 2023. "Foreign Aid and Political Support: How Politicians' Aid Oversight Capacity and Voter Information Condition Credit-Giving." *World Politics* 75(1):1–42.

Bazzi, Samuel, Arya Gaduh, Alexander D. Rothenberg and Maisy Wong. 2016. "Skill Transferability, Migration, and Development: Evidence from Population Resettlement in Indonesia." *American Economic Review* 106(9):2658–2698.

Bennon, Michael and Francis Fukuyama. 2022. "The Obsolescing Bargain Crosses the Belt and Road Initiative: Renegotiations on BRI Projects." *Oxford Review of Economic Policy* 38(2):278–301.

Bermeo, Sarah Blodgett. 2016. "Aid Is Not Oil: Donor Preferences, Heterogeneous Aid, and the Aid-Democratization Relationship." *International Organization* 70(1):1–32.

Bernauer, Thomas and Vally Koubi. 2009. "Effects of Political Institutions on Air Quality." *Ecological Economics* 68(5):1355–1365.

Besley, Timothy and Torsten Persson. 2009. "Property Rights, Taxation, and Politics: The Origins of State Capacity." *American Economic Review* 99(4):1218–1244.

Besley, Timothy and Torsten Persson. 2010. "State Capacity, Conflict, and Development." *Econometrica* 78(1):1–34.

Booth, David. 2011. "Aid, Institutions and Governance: What Have We Learned?" *Development Policy Review* 29:s5–s26.

Börzel, Tanja A., Tobias Hofmann, Diana Panke and Carina Sprungk. 2010. "Obstinate and Inefficient: Why Member States Do Not Comply with European Law." *Comparative Political Studies* 43(11):1363–1390.

Bourguignon, François and Mark Sundberg. 2007. "Aid Effectiveness: Opening the Black Box." *American Economic Review: Papers and Proceedings* 97(2):316–321.

Bueno de Mesquita, Bruce and Alastair Smith. 2009. "A Political Economy of Aid." *International Organization* 63(2):309–340.

Bulman, David, Walter Kolkma and Aart Kraay. 2017. "Good Countries or Good Projects? Macro and Micro Correlates of World Bank and Asian Development Bank Project Performance." *Review of International Organizations* 12:335–363.

Buntaine, Mark T. 2016. *Giving Aid Effectively: The Politics of Environmental Performance and Selectivity at Multilateral Development Banks*. Oxford: Oxford University Press.

Centeno, Miguel Angel, Atul Kohli and Deborah J. Yashar. 2017. Unpacking States in the Developing World: Capacity, Performance, and Politics. In *States in the Developing World*, ed. Miguel Angel Centeno, Atul Kohli and Deborah Yashar. Cambridge: Cambridge University Press chapter 1, pp. 1–31.

Cernea, Michael M. 2008. Compensation and Investment in Resettlement: Theory, Practice, Pitfalls, and Needed Policy Reform. In *Can Compensation Prevent Impoverishment? Reforming Resettlement Through Investments and Benefit-Sharing*, ed. Michael M. Cernea and Hari Mohan Mathur. Oxford: Oxford University Press chapter 1, pp. 15–82.

Chayes, Abram and Antonia Handler Chayes. 1993. "On Compliance." *International Organization* 47(2):175–205.

Coase, Ronald H. 1960. "The Problem of Social Cost." *Journal of Law and Economics* 3(1):1–44.

Crost, Benjamin, Joseph H. Felter and Patrick B. Johnston. 2014. "Aid Under Fire: Development Projects and Civil Conflict." *American Economic Review* 104(6):1833–1856.

Cruz, Cesi and Christina J. Schneider. 2017. "Foreign Aid and Undeserved Credit Claiming." *American Journal of Political Science* 61(2):396–408.

Dai, Xinyuan. 2005. "Why Comply? The Domestic Constituency Mechanism." *International Organization* 59(02):363–398.

Denizer, Cevdet, Daniel Kaufmann and Aart Kraay. 2013. "Good Countries or Good Projects? Macro and Micro Correlates of World Bank Project Performance." *Journal of Development Economics* 105(2013):288–302.

Denly, Michael. 2021. Institutional Autonomy and Donor Strategic Interest in Multilateral Foreign Aid: Rules vs. Influence. In *Political Economy of International Organizations*.

Djankov, Simeon, Jose G. Montalvo and Marta Reynal-Querol. 2008. "The Curse of Aid." *Journal of Economic Growth* 13(3):169–194.

Dreher, Axel, Jan-Egbert Sturm and James Raymond Vreeland. 2009. "Development Aid and International Politics: Does Membership on the UN Security Council Influence World Bank Decisions?" *Journal of Development Economics* 88(1):1–18.

Dube, Oeindrila and Suresh Naidu. 2015. "Bases, Bullets, and Ballots: The Effect of U. S. Military Aid on Political Conflict in Colombia." *Journal of Politics* 77(1):249–267.

Easterly, William and Ross Levine. 1997. "Africa's Growth Tragedy: Policies and Ethnic Divisions." *Quarterly Journal of Economics* 112(4):1203–1250.

Evans, Peter and James E. Rauch. 1999. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of "Weberian" State Structures on Economic Growth." *American Sociological Review* 64(5):748–765.

Falleti, Tulia G. 2021. "Invisible to Political Science: Indigenous Politics in a World in Flux." *Journal of Politics* 83(1):e5–e12.

Fariss, Christopher J., Michael R. Kenwick and Kevin Reuning. 2020. Measurement Models. In *SAGE Handbook of Research Methods in Political Science and International Relations*, ed. Luigi Curini and Robert J. Franzese. London: Sage Publications chapter 20, pp. 353–370.

Fearon, James D. and David D. Laitin. 2003. "Ethnicity, Insurgency, and Civil War." *American Political Science Review* 97(01):75–90.

Ferguson, James. 1994. *The Anti-Politics Machine: 'Development' and Bureaucratic Power in Lesotho*. Mineapolis: University of Minesota Press.

Findley, Michael G., Adam S. Harris, Helen V. Milner and Daniel L. Nielson. 2017. "Who Controls Foreign Aid? Elite Versus Public Perceptions of Donor Influence in Aid-Dependent Uganda." *International Organization* 71(4):633–663.

Finnemore, Martha and Kathryn Sikkink. 1998. "International Norm Dynamics and Political Change." *International Organization* 52(4):887–917.

Fox, Jonathan A. 2002. The World Bank Inspection Panel and the Limits of Accountability. In *Reinventing the World Bank*, ed. Jeffrey A Winters. Ithaca and London: Cornell University Press pp. 131–163.

Fukuyama, Francis. 2004. *State-Building: Governance and World Order in the 21st Century*. Ithaca, New York: Cornell University Press.

Gerring, John. 2017. *Case Study Research: Principles and Practices*. Second ed. Cambridge: Cambridge University Press.

Girod, Desha M. and Jennifer L. Tobin. 2016. "Take the Money and Run: The Determinants of Compliance with Aid Agreements." *International Organization* 70(1):209–239.

Greenstein, Gus. 2022. "The Influence of Alternative Development Finance on the World Bank's Safeguards Regime." *Global Environmental Politics* 22(3):171–193.

Gutner, Tamar. 2005. "World Bank Environmental Reform: Revisiting Lessons from Agency Theory." *International Organization* 5(3):773–783.

Hanson, Jonathan K. and Rachel Sigman. 2021. "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research." *Journal of Politics* 83(4):1495–1510.

Hart, Oliver. 2017. "Incomplete Contracts and Control." *American Economic Review* 107(7):1731–1752.

Hawkins, Darren, David A. Lake, Daniel L. Nielson and Michael J. Tierney. 2006*a*. Delegation under Anarchy: States, International Organizations, and Principal-Agent Theory. In *Delegation and Agency in International Organizations*. New York: Cambridge University Press chapter 1, pp. 3–38.

Hawkins, Darren G., David A. Lake, Daniel L. Nielson and Michael J. Tierney, eds. 2006*b*. *Delegation and Agency in International Organizations*. Cambridge: Cambridge University Press.

Hawkins, Darren and Wade Jacoby. 2006. How Agents Matter. In *Delegation and Agency in International Organizations*. Cambridge: Cambridge University Press chapter 7, pp. 199–228.

Heinzel, Mirko. 2022. "International Bureaucrats and Organizational Performance. Country-Specific Knowledge and Sectoral Knowledge in World Bank Projects." *International Studies Quarterly* 66(sqac013):1–13.

Heinzel, Mirko and Andrea Liese. 2021. "Managing Performance and Winning Trust: How World Bank Staff Shapes Recipient Performance." *Review of International Organizations* 16:625–653.

Hellman, Joel S., Geraint Jones and Daniel Kaufmann. 2003. "Seize the State, Seize the Day: State Capture and Influence in Transition Economies." *Journal of Comparative Economics* 31(4):751–773.

Hendrix, Cullen S. 2010. "Measuring State Capacity: Theoretical and Empirical Implications for the Study of Civil Conflict." *Journal of Peace Research* 47(3):273–285.

Hollyer, James R. 2010. "Conditionality, Compliance, and Domestic Interests: State Capture and EU Accession Policy." *Review of International Organizations* 5(4):387–431.

Huffington Post. 2015. "World Bank Safeguards.".
URL: *http://www.huffingtonpost.com/news/world-bank-safeguards/*

Independent Evaluation Group. 2010. Safeguards and Sustainability Policies in a Changing World: An Independent Evaluation of the World Bank Group Experience. Technical report Washington, DC: .

International Consortium of Investigative Journalists. 2015. "Evicted and Abandoned: The World Bank's Broken Promise to the Poor.".
URL: *http://www.icij.org/project/world-bank*

Kaja, Ashwin and Eric Werker. 2010. "Corporate Governance at the World Bank and the Dilemma of Global Governance." *World Bank Economic Review* 24(2):171–198.

Kaufmann, Daniel, Aart Kraay and Massimo Mastruzzi. 2011. "The Worldwide Governance Indicators: Methodology and Analytical Issues." *Hague Journal on the Rule of Law* 3(2):220–246.

Keohane, Robert and Joseph Nye. 1977. *Power and Interdependence: World Politics in Transition*. Boston: Little, Brown, and Company.

Kilby, Christopher. 2000. "Supervision and Performance: The Case of World Bank Projects." *Journal of Development Economics* 62(1):233–259.

Kilby, Christopher. 2001. "World Bank-Borrower Relations and Project Supervision." *Canadian Journal of Development Studies* 22(1):191–217.

Kilby, Christopher and Katharina Michaelowa. 2019. What Influences World Bank Project Evaluations? In *Lessons on Foreign Aid and Economic Development: Micro and Macro*

Perspectives, ed. Nabamita Dutta and Claudia R. Williamson. Cham, Switzerland: Palgrave Macmillan chapter 6, pp. 109–150.

König, Thomas and Lars Mäder. 2014. "The Strategic Nature of Compliance: An Empirical Evaluation of Law Implementation in the Central Monitoring System of the European Union." *American Journal of Political Science* 58(1):246–263.

Kono, Daniel Y. and Gabriella R. Montinola. 2009. "Does Foreign Aid Support Autocrats, Democrats, or Both?" *Journal of Politics* 71(2):704–718.

Krugman, Paul and Maurice Obstfeld. 2003. *International Economics: Theory and Policy*. Seventh ed. Boston: Pearson Education.

Lee, Melissa M. and Melina R. Platas. 2015. "Aid Externalities: Evidence from PEPFAR in Africa." *World Development* 67:281–294.

Lee, Melissa M. and Nan Zhang. 2017. "Legibility and the Informational Foundations of State Capacity." *Journal of Politics* 79(1):118–132.

Limodio, Nicola. 2021. "Bureaucrat Allocation in the Public Sector: Evidence from the World Bank." *Economic Journal* 131(January):3012–3040.

Lindberg, Staffan I., Michael Coppedge, John Gerring and Jan Teorell. 2014. "V-Dem: A New Way to Measure Democracy." *Journal of Democracy* 25(3):159–169.

Lizzeri, Alessandro and Nicola Persico. 2004. "Why Did the Elites Extend the Suffrage? Democracy and the Scope of Government, with an Application to Britain's Age of Reform." *Quarterly Journal of Economics* 119(2):707–765.

Mann, Michael. 1984. "The Autonomous Power of the State: Its Origins, Mechanisms and Results." *Archives européennes de sociologie* 25(1984):185–213.

Martens, Bertin, Uwe Mummert, Peter Murrell and Paul Seabright. 2002. *The Institutional Economics of Foreign Aid*. Cambridge: Cambridge University Press.

Miguel, Edward. 2004. "Tribe or Nation? Nation Building and Public Goods in Kenya versus Tanzania." *World Politics* 56(3):327–362.

Montgomery, Jacob M., Brendan Nyhan and Michelle Torres. 2018. "How Conditioning on Posttreatment Variables Can Ruin Your Experiment and What to Do about It." *American Journal of Political Science* 62(3):760–775.

Morrison, Kevin M. 2012. "What Can We Learn about the Resource Curse from Foreign Aid?" *World Bank Research Observer* 27(1):52–73.

Negi, Nalin Singh and Sujata Ganguly. 2011. "Development Projects vs. Internally Displaced Populations in India: A Literature Based Appraisal.".

Nielsen, Richard A., Michael G. Findley, Zachary S. Davis, Tara Candland and Daniel L. Nielson. 2011. "Foreign Aid Shocks as a Cause of Violent Armed Conflict." *American Journal of Political Science* 55(2):219–232.

Nielson, Daniel L. and Michael J. Tierney. 2003. "Delegation to International Organizations: Agency Theory and World Bank Environmental Reform." *International Organization* 57(02):241–276.

Nielson, Daniel L. and Michael J. Tierney. 2005. "Theory, Data, and Hypothesis Testing: World Bank Environmental Reform Redux." *International Organization* 59(3):785–800.

North, Douglass C. 1981. *Structure and Change in Economic History*. New York: W.W. Norton and Company.

Nunn, Nathan and Nancy Qian. 2014. "US Food Aid and Civil Conflict." *American Economic Review* 104(6):1630–1666.

OECD. 2008. "Paris Declaration of Aid Effectiveness and Accra Agenda for Action.". **URL:** *http://www.oecd.org/dac/effectiveness/34428351.pdf*

OECD. 2017. "Purpose Codes: Sector Classification.".
URL: *http://www.oecd.org/dac/stats/purposecodessectorclassification.htm*

Olson, Mancur. 1965. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge, Massachusetts: Harvard University Press.

O'Reilly, Colin and Ryan M. Murphy. 2022. "An Index Measuring State Capacity: 1789-2018." *Economica* 89(355):713–745.

Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.

Ostrom, Elinor, James Walker and Roy Gardner. 1992. "Covenants With and Without a Sword: Self-Governance is Possible." *American Political Science Review* 86(2):404–417.

Pollack, Mark A. 1997. "Delegation, Agency, and Agenda Setting in the European Community." *International Organization* 51(1):99–134.

Pritchett, Lant, Michael Woolcock and Matt Andrews. 2013. "Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation." *Journal of Development Studies* 49(1):1–18.

Qian, Nancy. 2015. "Making Progress on Foreign Aid." *Annual Review of Economics* 7(1):277–308.

Rajan, Raghuram G. and Arvind Subramanian. 2011. "Aid, Dutch Disease, and Manufacturing Growth." *Journal of Development Economics* 94(1):106–118.

Rose-Ackerman, Susan and Paul D. Carrington. 2013. *Anti-Corruption Policy: Can International Actors Play a Constructive Role?* Durham, N.C.: Carolina Academic Press.

Simmons, Beth A. 2010. "Treaty Compliance and Violation." *Annual Review of Political Science* 13(1):273–296.

Smets, Lodewijk, Stephen Knack and Nadia Molenaers. 2013. "Political Ideology, Quality at Entry and the Success of Economic Reform Programs." *Review of International Organizations* 8(4):447–476.

Soifer, Hillel and Matthias vom Hau. 2008. "Unpacking the Strength of the State: The Utility of State Infrastructural Power." *Studies in Comparative International Development* 43(3-4):219–230.

Stone, Randall W. 2011. *Controlling Institutions: International Organizations and the Global Economy*. New York: Cambridge University Press.

Tello, Rodolfo. 2015. *Social Safeguards: Avoiding the Unintended Impacts of Development*. Arlington, VA: Amakella Publishing.

Tversky, Amos and Daniel Kahneman. 1974. "Judgment under Uncertainty: Heuristics and Biases." *Science* 185(4157):1124–1131.

Vreeland, James Raymond. 2008. "The Effect of Political Regime on Civil War: Unpacking Anocracy." *Journal of Conflict Resolution* 52(3):401–425.

Vreeland, James Raymond. 2011. "Foreign Aid and Global Governance: Buying Bretton Woods - the Swiss-bloc Case." *Review of International Organizations* 6(3):369–391.

Vreeland, James Raymond. 2019. "Corrupting International Organizations." *Annual Review of Political Science* 23:205–224.

Weaver, Catherine E. 2008. *Hypocrisy Trap: The World Bank and the Poverty of Reform*. Princeton, New Jersey: Princeton University Press.

Weber, Max. 1978. *Economy and Society: An Outline of Interpretive Sociology*. Berkeley, California: University of California Press.

Westreich, Daniel and Sander Greenland. 2013. "The Table 2 Fallacy: Presenting and Interpreting Confounder and Modifier Coefficients." *American Journal of Epidemiology* 177(4):292–298.

Williamson, Oliver. 1985. *The Economic Institutions of Capitalism.* New York: Simon and Schuster.

Winters, Matthew S. 2010. "Choosing to Target: What Types of Countries Get Different Types of World Bank Projects." *World Politics* 62(3):422–458.

Winters, Matthew S. and Shyam Kulkarni. 2014. The World Bank in the Post-Structural Adjustment Era. In *Handbook of Global Economic Governance: Players, Power and Paradigms*, ed. Manuela Moschella and Catherine Weaver. New York: Routledge chapter 17, pp. 251–266.

Wood, Reed M. and Christopher M. Sullivan. 2015. "Doing Harm by Doing Good? The Negative Externalities of Humanitarian Aid Provision during Civil Conflict." *Journal of Politics* 77(3):736–748.

World Bank. 2017. "World Development Indicators.".
URL: *http://data.worldbank.org/data-catalog/world-development-indicators*

Zvobgo, Kelebogile and Benjamin A.T. Graham. 2020. "The World Bank as an Enforcer of Human Rights." *Journal of Human Rights* 19(4):425–448.