

# Cooperation or Competitive Equilibrium? The Determinants of Lead Donorship in International Development \*

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Do foreign aid donor governments collaborate by carving out spheres of influence in the pursuit of private foreign policy objectives while simultaneously minimizing free-riding in support of public goods? This study seeks to answer this question by leveraging a concept called lead donorship and novel measures that help to triangulate foreign aid's private and public goods benefits. The findings, based on a semi-parametric modeling approach, reveal a lack of systematic donor cooperation in foreign aid allocation, raising questions about its impact on aid effectiveness. These results contribute to the understanding of cooperation failure in aid allocation and its policy implications.

*Keywords:* foreign aid, lead donorship, cooperation

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