Supplemental Appendix
Targeted Development:
Aid Allocation in an Increasingly Connected World
International Organization

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This appendix contains additional explanations and results referred to in the paper "Targeted Development: Aid Allocation in an Increasingly Connected World."

1 Dyadic Analysis

To construct the database, I began with a list of all members of the Development Assistance Committee (DAC) of the OECD for all years that they were members of DAC. DAC members in the analysis (year of entry in parentheses): Australia (1961), Belgium (1961), Canada (1961), France (1961), Germany (1961), Italy (1961), Japan (1961), Netherlands (1961), Portugal (1961; withdrew in 1974 and rejoined in 1991), United Kingdom (1961), United States (1961), European Communities (1961; not included in country-level dyadic analysis), Norway (1962), Denmark (1963), Sweden (1965), Austria (1966), Switzerland (1968), New Zealand (1973), Finland (1975), Ireland (1985), Spain (1991), Luxembourg (1992), Greece (1999), Korea (2010); the following joined the DAC in 2013, after the time period covered in the analysis: Czech Republic, Iceland, Slovak Republic, Slovenia, Poland. Members that joined DAC after 1973 (the beginning of the analysis) are included only for years since joining (data are generally not available before this point).

The list of donor-years was then crossed with a list of all potential recipients for all years in which they were eligible to receive aid. Only independent states are counted, as aid to territories might be expected to follow different patterns than aid to sovereign parties. In the dataset, a country is deemed eligible to receive aid for all years post-independence, unless it crosses the high-income threshold and graduates from aid eligibility. According to OECD reporting rules, countries graduate from eligibility for official development assistance after two years classified as "high income;" after this point no data on aid receipts is collected for these states by the OECD and they are not counted in the analysis.

There are three recipients who leave the sample between the cold war and post-2001 periods: Greece, Portugal and Spain were considered aid-eligible in the cold war but not in the 2000s; by the later period they are donors. All other changes in dyads between the two periods are due to

increased coverage in the 2000s, both because of new donors and recipients and increased data coverage on explanatory variables for recipients over time.

For bilateral aid commitments, the OECD/DAC source is preferred to AidData (Nielson, Powers and Tierney, 2010) as AidData only includes data that are reported at the project-level, and so misses aid flows, particularly for the cold war period where reporting at the level of detail necessary for inclusion in AidData was not required by the OECD and so the aid is not captured by AidData. AidData includes data from the OECD/CRS database which is reported at the sector level; any aid to a country that is not reported by sector is not included in the CRS and is therefore not included in AidData. The OECD/DAC includes data on aid even if it is not categorized by sector. Email correspondence with AidData confirms that this is the case, and that some aid flows are missing for years before sector reporting was required.

Note that aid is only included if it is allocated to an individual recipient, meaning that aid allocated regionally (and not designated to a specific country) and aid allocated to multilateral institutions is not included. Given the dyadic nature of the hypotheses, recipient identity is important.

For the Worldwide Governance Indicators (WGI) measure I chose to create a yearly rank, with 1 representing the recipient with the lowest score on WGI for that year in this dataset, 2 the next lowest, etc., and then use the log of that rank as an explanatory variable. The log is taken to smooth the data after creating the rank. The rank is created because various scholars have questioned the usefulness of the raw scores in analyses such as this; the creators' responses to some of the more important of these critiques appear on the WGI website.[1] However, criteria similar to rank is explicitly used by aid agencies, such as the Millennium Challenge Corporation, for making aid decisions based on measures from the WGI. The MCC evaluates a country's scores relative to its peers, rather than the raw score. In practice, none of the conclusion change if the raw score is used in place of the log rank, or if the raw rank (not logged) is used.

[1] http://info.worldbank.org/governance/wgi/index.aspx#doc.

2 Summary Statistics

Tables 1 and 2 present summary statistics for all available observations for each variable in the two main time periods studied, whether or not the observations are included in the analysis. As in all studies of aid allocation, loss of observations due to missing data is a concern with no perfect solution. One partial correction, presented as Models 3 and 4 of Table 2 in the main paper, is to run the analysis including only dyads in each period - if a dyad is dropped from one period for lack of data it is not captured in the other period either. This helps avoid concluding that coefficients have changed if the changes are merely the result of different dyads being captured - either because of newly created dyads or because of difference in data availability for existing dyads across periods. Also note that the loss of some observations due to lack of data on income during the cold war is mainly due to low coverage at the beginning of the period, with coverage for income rising from 65% of observations in 1973 to 85% of observations in 1988. Omitting UN Vote Distance, which has relatively low coverage and often insignificant coefficients, from the analysis in the main paper does not change conclusions for remaining variables. Because I have omitted variables with even lower dyadic coverage (such as similarity of ethnicity or religion in dyads, which have low explanatory power in other studies and are likely correlated with other included variables such as *Former Colony*), the list-wise deletion is almost certainly less here than in comparable studies.

Table 3 shows bilateral aid by recipient for 1988 (last year of cold war analysis in main paper) and 2012 (last year of post-2001 analysis in main paper), ranked from highest to lowest aid commitments for the year. Table 4 shows bilateral aid by donor for 1988 and 2012, also ranked from highest to lowest aid commitments for the year. These are based on aggregates from the donor-recipient-year database compiled for this project. They exclude aid allocated regionally that does not specify a particular recipient as well as aid to multilateral institutions that is not designated by the donor for a particular recipient (aid channeled through a multilateral institution but designated by the donor for a particular recipient is, by OECD reporting rules, captured in bilateral aid). As the analysis is dyadic and requires identification of aid between donor-recipient pairs, this is appropriate for the purposes here. However, it does not reflect all aid that a donor gives or all aid that

	Observations	Mean	Standard Deviation	Minimum	Maximum
Ln Aid commitments	36,330	7.892821	7.756597	0	22.25031
Ln Income (lagged)	27,163	7.314803	1.268637	4.865018	11.31383
Ln Population (lagged)	34,976	15.20828	1.98711	8.972464	20.80396
Ln Disaster	36,330	3.600741	5.13894	0	19.57877
Ln Distance	36,330	8.858172	0.6031684	5.373715	9.88258
Ln US Military Assistance	36,330	7.1411	7.656168	0	23.35569
Ln SIPRI Arms Transfer	36,330	1.33151	4.552889	0	22.21617
Ln Donor Exports (lagged)	32,565	15.25996	5.863051	0	24.36252
Ln Donor Imports (lagged)	32,047	13.83969	7.063525	0	24.54971
Civil War (lagged)	35,518	0.17394	0.3790632	0	1
Former Colony	36,330	0.0395541	0.1949118	0	1
Democracy (lagged)	35,431	3.268861	1.770324	1	7
UN Vote Distance	29,209	1.7027	0.7843758	0.001	4.986
Security Council Member	36,330	0.0556014	0.2291536	0	1

Table 1: Summary Statistics, 1973-1988. Statistics based on all available data for a variable, even though some of the observations may be lost due to missing data on other variables.

	Observations	Mean	Standard Deviation	Minimum	Maximum
Ln Aid commitments	36,327	10.41263	6.980257	0	23.13412
Ln Income (lagged)	34,448	7.436072	1.212777	4.776134	10.88402
Ln Population (lagged)	35,785	15.48789	2.148461	9.15599	21.01901
Ln Disaster	36,327	6.843674	5.319734	0	19.65042
Ln Distance	36,011	8.808799	0.643091	4.087945	9.884789
Ln US Military Assistance	36,327	11.85102	5.949775	0	23.07002
Ln SIPRI Arms Transfer	36,327	0.537961	2.936561	0	20.76441
Ln Donor Exports (lagged)	34,765	16.11457	3.818082	0	25.98978
Ln Donor Imports (lagged)	34,765	14.47248	5.541825	0	26.73775
Civil War (lagged)	36,095	0.1561435	0.3629964	0	1
Former Colony	36,327	0.0359787	0.1862397	0	1
Democracy (lagged)	36,073	4.195867	1.820712	1	7
UN Vote Distance	35,434	1.567856	0.725143	0	4.608
Security Council Member	36,327	0.0497151	0.2173587	0	1

Table 2: Summary Statistics, 2002-2012. Statistics based on all available data for a variable, even though some of the observations may be lost due to missing data on other variables.

a recipient receives, as some of this flows through non-dyadic channels. Thus it should not be seen as indicative of relative aid generosity, as some donors give more of their aid regionally or through multilateral institutions than do others.

1988		2012	
Recipient	Commitments ($Millions)	Recipient	Commitments ($Millions)
China	4,177	Afghanistan	5,630
Indonesia	4,152	India	4,861
India	3,898	Viet Nam	3,009
Egypt	3,449	Brazil	2,344
Israel	2,600	Cote d'Ivoire	2,209
Philippines	2,585	Kenya	1,976
Pakistan	1,987	Ethiopia	1,897
Bangladesh	1,717	Pakistan	1,782
Thailand	1,604	Philippines	1,776
Papua New Guinea	1,527	China	1,728
Mozambique	1,416	South Sudan	1,681
Kenya	1,267	Morocco	1,677
Tanzania	1,189	Iraq	1,617
Malaysia	1,118	Congo, Dem. Rep.	1,608
Sri Lanka	1,089	Egypt	1,356
Morocco	1,044	Jordan	1,335
Ethiopia	956	Tanzania	1,286
Congo, Dem. Rep.	865	Indonesia	1,266
Sudan	854	Mozambique	1,199
Senegal	794	Bangladesh	1,101
El Salvador	765	Ghana	1,051
Turkey	717	Colombia	987
Bolivia	694	Haiti	968
Somalia	683	South Africa	940
Ghana	671	Nigeria	837
Tunisia	634	Uganda	828
Zimbabwe	615	Tunisia	779
Peru	610	Sri Lanka	770
Madagascar	548	Senegal	724
Zambia	533	Peru	709
Cameroon	498	Mexico	692
Mali	493	Cameroon	682
Argentina	483	Zambia	633
Jamaica	479	Malawi	626

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1988		2012	
Recipient	Commitments ($Millions)	Recipient	Commitments ($Millions)
Honduras	462	Somalia	619
Malawi	452	Zimbabwe	618
Cote d'Ivoire	446	Sudan	576
Niger	446	Cambodia	572
Algeria	436	Burkina Faso	569
Korea	419	Papua New Guinea	540
Burkina Faso	405	Nepal	535
Nepal	396	Syria	527
Ecuador	394	Niger	501
Uganda	383	Mali	498
Nicaragua	379	Yemen	487
Guatemala	377	Myanmar	449
Costa Rica	334	Liberia	424
Brazil	322	Guatemala	411
Guinea	320	Rwanda	408
Botswana	287	Serbia	351
Togo	283	Cape Verde	347
Syria	275	Ukraine	342
Colombia	264	Turkey	341
Rwanda	239	Thailand	330
Benin	234	Laos	324
Chad	230	Uzbekistan	322
Gabon	202	Honduras	314
Nigeria	200	Lebanon	308
Lebanon	197	Ecuador	303
Burundi	191	Benin	297
Myanmar	191	Chad	289
Angola	189	Kosovo	276
Haiti	181	Bolivia	267
Singapore	180	Timor-Leste	263
Afghanistan	172	Solomon Islands	252
Mauritania	166	Nicaragua	238
Central African Rep.	165	Azerbaijan	230
Dominican Republic	161	Burundi	216
Gambia	145	Georgia	214
Mauritius	144	Madagascar	201
Jordan	140	Mongolia	182
Viet Nam	139	Namibia	174

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1988		2012	
Recipient	Commitments ($Millions)	Recipient	Commitments ($Millions)
Mexico	139	Botswana	174
Chile	134	Mauritania	172
Lesotho	130	Vanuatu	172
Congo, Rep.	114	Sierra Leone	170
Djibouti	112	Algeria	166
Fiji	109	Mauritius	163
Laos	106	Albania	163
Iran	106	Bosnia-Herzegovina	157
Sierra Leone	93	Guinea	152
Cape Verde	92	El Salvador	147
Liberia	84	Armenia	146
Paraguay	84	Angola	141
Suriname	80	Kyrgyz Republic	137
Guinea-Bissau	76	Togo	129
Swaziland	71	Micronesia, Fed. States	128
Solomon Islands	64	Libya	127
Samoa	64	Iran	108
Comoros	60	Moldova	98
Uruguay	54	Dominican Republic	95
Bhutan	50	Djibouti	94
St. Lucia	49	Marshall Islands	93
Vanuatu	47	Fiji	92
Tonga	41	Tajikistan	88
Maldives	41	Central African Rep.	82
Guyana	40	Congo, Rep.	76
Sao Tome & Principe	31	Cuba	71
Oman	30	Chile	70
Venezuela	30	Samoa	69
Cyprus	27	Gabon	66
Seychelles	26	Malaysia	65
Kiribati	24	Paraguay	64
Equatorial Guinea	24	Tonga	59
Iraq	23	Argentina	57
St. Kitts-Nevis	22	Kazakhstan	55
Tuvalu	22	Lesotho	55
Saudi Arabia	21	Macedonia, FYR	54
Belize	20	Belarus	53
Cambodia	18	Swaziland	52

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1988		2012	
Recipient	Commitments ($Millions)	Recipient	Commitments ($Millions)
Cuba	16	Kiribati	51
Trinidad and Tobago	13	Guinea-Bissau	48
Panama	12	Bhutan	40
Grenada	12	Korea, Dem. Rep.	39
Dominica	12	Sao Tome & Principe	38
Taiwan	11	Palau	37
Albania	10	Comoros	33
St.Vincent & Grenadines	8	Gambia	32
Brunei	7	Costa Rica	32
Kuwait	7	Venezuela	30
United Arab Emirates	6	Jamaica	28
Barbados	5	Nauru	28
Malta	4	Panama	25
Korea, Dem. Rep.	4	Montenegro	21
Libya	4	Tuvalu	20
Mongolia	3	Guyana	20
Qatar	2	Seychelles	19
Bahrain	2	Maldives	17
Antigua and Barbuda	2	Equatorial Guinea	14
Bahamas	0	Dominica	14
Nauru	0	Turkmenistan	13
Portugal	0	Uruguay	13
Poland	0	St. Kitts-Nevis	12
Hungary	0	Suriname	12
Greece	0	Eritrea	8
Bulgaria	0	Belize	4
Romania	0	St. Lucia	3
South Africa	0	Antigua and Barbuda	2
Marshall Islands	0	Grenada	1
Micronesia, Fed. States	0	St.Vincent & Grenadines	1

Table 3: Bilateral Aid Commitments by Recipient, 1988 and 2012. Amounts include only aid allocated from individual donors to individual recipients, not regional aid or aid coming from multilateral institutions. The amounts in this table reflect the aggregating of recipient values over the donor-recipient-year database used for the main analysis in the tables. Given the focus on dyadic measures, aid to regions or from multilateral institutions was not appropriate for that analysis.

1988		2012	
Donor	Commitments ($Millions)	Donor	Commitments ($Millions)
Japan	16,823	US	17,558
US	10,178	Japan	15,358
Germany	6,925	France	9,475
France	5,704	Germany	8,647
Italy	4,787	Australia	3,305
Netherlands	2,770	UK	3,001
Canada	2,726	Canada	1,798
Australia	2,294	Norway	1,708
UK	2,265	Korea	1,578
Sweden	1,181	Netherlands	1,477
Denmark	929	Denmark	1,134
Switzerland	826	Switzerland	1,083
Belgium	771	Sweden	1,068
Austria	552	Belgium	776
Finland	507	Spain	736
Norway	444	Austria	531
New Zealand	48	Italy	529
Ireland	28	Finland	417
		Ireland	404
		Portugal	384
		Luxembourg	202
		New Zealand	148
		Greece	71

Table 4: Bilateral Aid Commitments by Donor, 1988 and 2012. Amounts include only aid allocated to individual recipients, not regional aid or aid to multilateral institutions. Thus for some donors, such as the UK in 2012, the amount here is significantly lower than actual aid commitments, as the UK has many regional allocations in the OECD data that are not assigned to individual countries. The amounts in this table reflect the aggregating of donor values over the donor-recipient-year database used for the main analysis in the tables. Given the focus on dyadic measures, aid to regions or multilateral institutions was not appropriate for that analysis.

3 Additional Results on Cross-National Allocation

3.1 Examining Regional Sensitivity

It is possible that the results in Table 2 of the main analysis are driven by regional effects, such as the breakup of Eastern Europe/Central Asia with the end of the cold war or the importance of the Middle East. Models 3 and 4 of Table 2 in the main analysis help alleviate concerns for the first, as any countries that did not exist or for which there are no data in the cold war would not be included in these models. As an additional check for regional sensitivities, Models 1 and 2 from Table 2 are re-estimated dropping one region at a time. Regions are defined by the World Banks as follows: Europe and Central Asia, Middle East and North Africa, Sub-Saharan Africa, South Asia, East Asia and the Pacific, and Latin America and the Caribbean. The results from these analyses suggest that no individual region is driving the results. In each case, the shift toward favoring larger and more proximate recipients remains, as does the declining importance of traditional strategic variables and the narrowing of the gap between the coefficients on exports and imports. The one notable difference is that when countries in Europe and Central Asia are omitted from the analysis the coefficient on distance is negative and significant for the cold war period. However, the coefficient on distance more than doubles in magnitude in the post-2001 period, showing a similar pattern albeit from a different starting point.

3.2 Results including Migration

Table 5 shows results analogous to those reported for Models 2 and 4 in Table 2 of the main paper, but including a measure of migration. The coefficient on migration is reported at the bottom of Table 2 in the main paper; this section shows the full results of those regressions. Note the number of observations drops due to lack of data availability on migrant flows for some dyads. Migration measures migrant flows from recipient to donor (logged) and is lagged by one year.

	All Available Data	Same Dyads Only
	2002-2012	2002-2012
	Analogous to Model 2	Analogous to Model 4
Migration (lagged)	0.676***	0.730***
	(0.00)	(0.00)
Distance	-1.567***	-1.213***
	(0.00)	(0.00)
Population (lagged)	0.311***	0.455***
	(0.01)	(0.00)
US Military Assistance	0.014	0.012
	(0.44)	(0.58)
SIPRI Arms Transfers	-0.004	-0.011
	(0.80)	(0.61)
Donor Exports (lagged)	0.283***	0.143*
	(0.00)	(0.08)
Donor Imports (lagged)	0.239***	0.294***
	(0.00)	(0.00)
Income (lagged)	-2.368***	-2.388***
	(0.00)	(0.00)
Disaster	0.098***	0.073***
	(0.00)	(0.00)
Civil War (lagged)	-0.033	-0.454*
	(0.87)	(0.07)
Former Colony	2.421***	0.122
	(0.00)	(0.86)
Democracy (lagged)	0.329***	0.166*
	(0.00)	(0.10)
UN Vote Distance	0.155	-0.642***
	(0.42)	(0.01)
Security Council Member	0.034	-0.214
	(0.85)	(0.35)
Donor fixed effects	yes	yes
Year fixed effects	yes	yes
Constant	20.834***	18.796***
	(0.00)	(0.00)
Sigma	5.863***	5.771***
	(0.00)	(0.00)
Observations	21,979	12,146
Censored	5,195	2,852
Uncensored	16,784	9,294
Dyads	2,653	1,347
Recipients	155	111
Donors	21	14

Table 5: Dyadic Aid Allocation Including Migration. Analogous to Models 2 and 4 from Table 2 in the main paper. Dependent variable is the log of (one plus) aid from donor to recipient in year *t*. Tobit models with standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. $*p < 0.10$; $**p < 0.05$; $***p < 0.01$.

3.3 Results for Different Units of Analysis

Results by donor referred to in the main text are reported here in Tables 6 - 8. For donors with sufficient data on migrant flows, analogous models were run separately including migration and the coefficient for migration from the separate regression is reported at the bottom of the column for the post-2001 period. The main regressions exclude migration in both periods to allow a comparison over time (migration data are not available for the cold war period). The cold war period includes 1973-1988 or the years in that period for which a donor has data. Only donors with data in both periods are included, to allow for comparison across time. Ireland is not included as it only has data for a couple of years in the cold war period with many fewer observations than other donors. Germany and Switzerland results are estimated without including UN Vote Distance as these data are not available across time periods for these donors. Replication files will produce results for all donors, even those without data in the earlier period.

	Australia		Austria		Canada	
	Cold War	2002-2012	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-5.557***	-1.661***	-2.204***	-1.863***	-4.391***	-2.026***
Population (lag)	-1.416**	0.735*	1.233*	1.278***	-0.551	0.712**
Disaster	0.070	-0.023	0.149*	0.019	0.094*	0.105**
Distance	-10.770***	-13.167***	0.296	-1.407***	-0.884	-2.398***
US Military	-0.126	0.006	0.167*	-0.031	0.103	0.124**
SIPRI Arms Transfers	-0.004	-0.220*	-0.021	0.094**	0.089	-0.056
Donor Exports (lag)	0.725***	0.280	0.289**	0.584***	0.014	0.055
Donor Imports (lag)	0.266**	0.194	0.090	0.218**	0.029	0.200**
Civil War (lag)	-0.501	3.428***	0.061	-0.386	0.491	0.270
Former Colony	-12.565***	-7.575***				
Democracy (lag)	1.848***	1.159***	0.352	0.028	0.708**	0.641***
UN Vote Distance	1.292	3.082***	1.456	-1.364**	-0.013	1.605**
Security Council Member	1.198	0.310	0.878	0.264	0.686	0.568
Migration (lag)		1.211***		0.605***		-0.063
	Denmark		Finland		France	
	Cold War	2002-2012	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-10.128***	-5.369***	-5.588***	-2.221***	-2.557***	-0.638***
Population (lag)	-0.209	2.132**	1.116	1.240***	-0.365	0.356*
Disaster	0.080	0.035	0.075	0.114*	0.024	0.024
Distance	5.794**	-3.704***	7.613***	-1.141*	3.094**	-0.315
US Military	0.212*	0.175	0.238*	0.084	0.016	0.027
SIPRI Arms Transfers	0.655*	-0.280		0.022	0.124**	-0.027
Exports (lag)	2.123***	0.547	0.729***	0.270*	0.953***	0.695***
Imports (lag)	-0.308	0.512***	0.277	0.220***	-0.047	0.068
Civil War (lag)	0.959	-0.563	1.763	0.237	0.847	-0.511*
Former Colony					8.261***	1.782***
Democracy (lag)	1.077*	0.653	1.036*	-0.117	0.202	-0.054
UN Vote Distance	0.111	0.381	5.246***	-0.285	0.672	0.016
Security Council Member	1.149	-2.226	-0.406	0.158	0.668	0.107
Migration (lag)		1.400**		0.263		0.285***

Table 6: Determinants of Aid Allocation by Donor. Tobit models with left censoring at zero; unit of analysis is recipient-year. Dependent variable is the log of (one plus) aid from the donor to a recipient in year *t*. Year fixed effects included but not shown. Robust standard errors clustered on recipient. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	Germany		Italy		Japan	
	Cold War	2002-2012	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-1.973***	-0.785***	-2.444***	-2.426***	-2.058***	-0.592***
Population (lag)	-0.030	1.238***	0.634	1.080**	-0.349	0.439***
Disaster	-0.014	-0.015	0.004	0.261***	0.119***	0.042***
Distance	2.922**	-0.987***	0.699	-2.284***	0.165	-1.601***
US Military	0.141**	0.048**	0.155**	0.100	0.084*	0.061***
SIPRI Arms Transfers	-0.036	-0.042*	0.049	-0.068	0.082	0.000
Exports (lag)	0.247**	0.229	0.388	0.447	0.489**	-0.068
Imports (lag)	0.079	0.086	0.193	0.262	0.211***	0.099***
Civil War (lag)	0.003	-0.791***	0.672	-0.705	-0.260	-0.209
Former Colony				2.018		-0.410
Democracy (lag)	-0.006	0.074	-0.509	0.198	0.127	0.270***
UN Vote Distance			-0.726	1.134*	-1.524	0.355*
Security Council Member	0.726	0.068	0.570	0.391	0.780	0.262
Migration (lag)		0.078				0.519***
	Netherlands		New Zealand		Norway	
	Cold War	2002-2012	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-2.942***	-2.530***	-4.292***	-2.399***	-6.081***	-2.775***
Population (lag)	-0.473	2.509***	-0.521	0.756*	0.529	1.812***
Disaster	0.004	0.139*	0.153	0.082	0.226**	-0.010
Distance	4.012***	-4.336***	-19.057***	-17.773***	7.303***	-0.498
US Military	0.126**	0.115	0.286**	0.086	0.233**	0.090
SIPRI Arms Transfers	0.023	-0.123	0.899***	-0.076	0.600***	0.056
Exports (lag)	0.615***	0.149	0.410**	0.277	0.760***	0.069
Imports (lag)	0.081	0.029	0.603***	0.191	0.003	0.172*
Civil War (lag)	0.753	0.269	1.539	1.678	-0.358	-0.451
Former Colony	1.734	10.556*	-2.753	-5.132**		
Democracy (lag)	0.451**	0.648*	1.230*	1.360***	0.759*	-0.437
UN Vote Distance	-0.021	0.725	4.173**	4.787***	4.858***	-1.533*
Security Council Member	0.368	0.225	2.263	-0.080	1.229	0.278
Migration (lag)		1.714***		0.923***		0.988***

Table 7: Determinants of Aid Allocation by Donor, cont. Tobit models with left censoring at zero; unit of analysis is recipient-year. Dependent variable is the log of (one plus) aid from the donor to a recipient in year *t*. Year fixed effects included but not shown. Robust standard errors clustered on recipient. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	Sweden		Switzerland	
	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-5.911***	-3.659***	-5.039***	-2.176***
Population (lag)	0.022	1.341***	0.240	2.397***
Disaster	0.463***	0.066	0.190**	0.064
Distance	4.677	-1.571**	0.540	-3.169***
US Military	0.083	0.086	0.299***	0.036
SIPRI Arms Transfers	-0.030	-0.026	0.132	-0.148
Exports (lag)	0.723*	0.467*	0.172	-0.068
Imports (lag)	0.371	0.343***	0.023	0.079
Civil War (lag)	0.729	-0.162	1.979	-1.111
Former Colony				
Democracy (lag)	1.092	-0.103	-0.475	0.131
UN Vote Distance	8.407***	-2.493***		
Security Council Member	0.814	0.293	1.414	0.643
Migration (lag)		0.861***		
	United Kingdom		United States	
	Cold War	2002-2012	Cold War	2002-2012
Income (lag)	-3.495***	-2.029***	-5.407***	-0.881***
Population (lag)	-1.015**	1.013***	-1.960***	1.278***
Disaster	0.019	0.040	0.127**	0.038
Distance	3.715***	-0.852	1.879	-0.543
US Military	0.177***	0.129**	0.371***	0.141***
SIPRI Arms Transfers	0.069*	-0.062	0.092*	-0.001
Exports (lag)	1.039***	-0.148	0.583***	-0.212
Imports (lag)	0.048	0.559***	-0.080	0.027
Civil War (lag)	-0.647	-0.180	1.859	-0.367
Former Colony	2.168**	3.462***	-0.683	2.457
Democracy (lag)	0.541**	0.038	0.218	-0.100
UN Vote Distance	0.195	-1.165*	-1.990*	-1.278***
Security Council Member	0.098	0.580	0.216	-0.197
Migration (lag)				0.121

Table 8: Determinants of Aid Allocation by Donor, cont. Tobit models with left censoring at zero; unit of analysis is recipient-year. Dependent variable is the log of (one plus) aid from the donor to a recipient in year t. Year fixed effects included but not shown. Robust standard errors clustered on recipient. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

3.4 Additional Robustness Checks

To address concerns regarding potential outliers, Table 9 shows results for estimates of Models 1 and 2 from the main analysis excluding observations for the top 1% or top 5% of values on aid commitments. No substantive changes from the main analysis are warranted. This analysis is in addition to others that would have detected outliers driving the analysis. For instance, if the results were driven by a particular donor the by-donor analysis would show this. Additionally, if they were driven by a particular recipient or region then the check run excluding one region at a time would have detected this. Table 9 shows that the results are not driven only by particularly important (measured by volume) dyadic aid relationships. In this case the analysis including outliers might be seen as more conservative for the given hypothesis, as this includes the countries receiving aid for strategically important reasons and still finds evidence consistent with targeted development in the post-2001 period.

Table 10 shows that the results from Models 1 and 2 in the main analysis are robust to including a year time trend in place of year fixed effects. Table **??** shows that the results are robust to using the polity2 variable from the Polity IV dataset in place of the Freedom House source to measure democracy in recipients.

3.5 Two-Part Alternative

Table 12 is analagous to the the Two-Part analysis in the main paper, but confined to dyads present in both periods. The number of dyads and recipients differ across periods for the Truncated OLS regressions because there are some dyads that are in the analysis in both periods but may only receive positive aid in one period or the other (so the dyads in the Probit are the same, but they are only included in the OLS regressions if they have positive aid).

3.6 Results including Governance

Table 13 shows the results referred to in the main text when the measure of *Governance* from the Worldwide Governance Indicators (*WGI*) is included in Model 2, both by itself and interacted with *Distance.* The second model in Table 13 was used to produce Figure 1 in the main text. The *WGI*

	Excluding Top 1%		Excluding Top 5%	
	1973-1988	2002-2012	1973-1988	2002-2012
Distance	0.658	-2.421***	0.870*	-2.520***
	(0.13)	(0.00)	(0.06)	(0.00)
Population (lagged)	-0.494***	0.870***	-0.561***	0.904***
	(0.00)	(0.00)	(0.00)	(0.00)
US Military Assistance	0.088***	0.031*	0.085***	0.028*
	(0.00)	(0.05)	(0.00)	(0.09)
SIPRI Arms Transfers	0.065**	-0.024	0.061*	-0.014
	(0.02)	(0.16)	(0.05)	(0.47)
UN Vote Difference	-0.096	-0.155	-0.089	-0.154
	(0.80)	(0.36)	(0.83)	(0.38)
Security Council Member	0.707**	0.228	0.756**	0.208
	(0.03)	(0.16)	(0.03)	(0.23)
Former Colony	5.359***	4.577***	4.988***	5.242***
	(0.00)	(0.00)	(0.00)	(0.00)
Donor Exports (lagged)	0.471***	0.371***	0.475***	0.365***
	(0.00)	(0.00)	(0.00)	(0.00)
Donor Imports (lagged)	0.176***	0.222***	0.182***	0.222***
	(0.00)	(0.00)	(0.00)	(0.00)
Income	-4.163***	-2.240***	-4.255***	-2.241***
	(0.00)	(0.00)	(0.00)	(0.00)
Disaster	0.159***	0.108***	0.169***	0.115***
	(0.00)	(0.00)	(0.00)	(0.00)
Civil War (lagged)	0.709*	0.185	0.888**	0.216
	(0.06)	(0.31)	(0.03)	(0.26)
Democracy (lagged)	0.568***	0.352***	0.588***	0.361***
	(0.00)	(0.00)	(0.00)	(0.00)
Donor fixed effects	yes	yes	yes	yes
Year fixed effects	yes	yes	yes	yes
Constant	16.758***	18.701***	15.990***	19.044***
	(0.00)	(0.00)	(0.01)	(0.00)
Sigma	8.944***	6.277***	9.240***	6.419***
	(0.00)	(0.00)	(0.00)	(0.00)
Observations	20,663	32,208	19,827	30,906
Censored	8,938	8,948	8,938	8,948
Uncensored	11,725	23,260	10,889	21,958
Dyads	1,657	3,527	1,641	3,490
Recipients	114	156	114	156
Donors	15	23	15	23

Table 9: Determinants of Dyadic Aid Allocation, Excluding Outliers. Dependent variable is the log of (one plus) aid from donor to recipient in year *t*. Tobit models with standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance and Security Council Member are measured in natural logs. The first two columns exclude observations where the value of aid commitments is in the top 1% in Models 1 and 2 in the main analysis; the third and fourth columns exclude observations where the value of aid commitments is in the top 5% in Models 1 and 2 in the main analysis. $*p < 0.10$; $**p < 0.05$; $***p < 0.01$.

	Analogous to Model 1 1973-1988	Analogous to Model 2 2002-2012
Distance	0.630	-2.359***
	(0.13)	(0.00)
Population (lagged)	-0.487***	0.848***
	(0.00)	(0.00)
US Military Assistance	0.091***	0.036**
	(0.00)	(0.02)
SIPRI Arms Transfers	0.072**	-0.020
	(0.01)	(0.23)
UN Vote Difference	-0.145	-0.168
	(0.70)	(0.31)
Security Council Member	0.711**	0.235
	(0.02)	(0.14)
Former Colony	5.386***	4.491***
	(0.00)	(0.00)
Donor Exports (lagged)	0.468***	0.372***
	(0.00)	(0.00)
Donor Imports (lagged)	0.176***	0.222***
	(0.00)	(0.00)
Income	-4.149***	-2.237***
	(0.00)	(0.00)
Disaster	0.144***	0.105***
	(0.00)	(0.00)
Civil War (lagged)	0.750**	0.200
	(0.05)	(0.27)
Democracy (lagged)	0.566***	0.332***
	(0.00)	(0.00)
Time trend	0.281***	0.106***
	(0.00)	(0.00)
Donor fixed effects	yes	yes
Year fixed effects	no	no
Constant	-540.345***	-194.637***
	(0.00)	(0.00)
Sigma	8.882***	6.243***
	(0.00)	(0.00)
Observations	20,871	32,533
Censored	8,938	8,948
Uncensored	11,933	23,585
Dyads	1,658	3,533
Recipients	114	156
Donors	15	23

Table 10: Determinants of Dyadic Aid Allocation, Including a Time Trend Variable. Same observations as Models 1 and 2 in the main analysis; time trend included instead of year fixed effects. Dependent variable is the log of (one plus) aid from donor to recipient in year *t*. Tobit models with standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	Analogous to Model 1 1973-1988	Analogous to Model 2 2002-2012
Distance	1.031**	-1.907***
	(0.02)	(0.00)
Population (lagged)	-0.468**	0.774***
	(0.02)	(0.00)
US Military Assistance	0.098***	0.010
	(0.00)	(0.50)
SIPRI Arms Transfers	0.065**	-0.019
	(0.02)	(0.25)
UN Vote Difference	-0.667*	0.052
	(0.09)	(0.76)
Security Council Member	0.733**	0.225
	(0.02)	(0.16)
Former Colony	5.103***	3.867***
	(0.00)	(0.00)
Donor Exports (lagged)	0.478***	0.351***
	(0.00)	(0.00)
Donor Imports (lagged)	0.182***	0.211***
	(0.00)	(0.00)
Income	-4.059***	-2.087***
	(0.00)	(0.00)
Disaster	0.165***	0.086***
	(0.00)	(0.00)
Civil War (lagged)	0.499	0.091
	(0.19)	(0.61)
Polity2 (lagged)	0.090***	0.155***
	(0.00)	(0.00)
Donor fixed effects	yes	yes
Year fixed effects	yes	yes
Constant	14.980**	14.963***
	(0.01)	(0.00)
Sigma	8.759***	5.950***
	(0.00)	(0.00)
Observations	19,088	27,423
Censored	7,881	6,307
Uncensored	11,207	21,116
Dyads	1,440	3,019
Recipients	99	133
Donors	15	23

Table 11: Determinants of Dyadic Aid Allocation, Polity instead of FH. Analogous to Models 1 and 2 in the main analysis but with the polity2 variable used to measure democracy in place of the FH score. Dependent variable is the log of (one plus) aid from donor to recipient in year *t*. Tobit models with standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	1973-1988		2002-2012		Significant Difference?	
		Truncated		Truncated		Truncated
	Probit	OLS	Probit	OLS	Probit	OLS
Distance	0.127***	-0.568***	-0.229***	-0.474***	yes	no
	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.39)
Population (lagged)	-0.149***	0.272***	0.076***	0.235***	yes	no
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.43)
US Military Assistance	0.025***	0.023***	0.004	0.014*	yes	no
	(0.00)	(0.00)	(0.38)	(0.05)	(0.00)	(0.23)
SIPRI Arms Transfers	0.024***	0.031***	0.017*	0.015*	no	yes
	(0.00)	(0.00)	(0.05)	(0.10)	(0.43)	(0.09)
UN Vote Distance	0.281***	0.081	0.086**	-0.183**	yes	yes
	(0.00)	(0.38)	(0.05)	(0.04)	(0.00)	(0.02)
Security Council Member	0.026	0.181**	-0.065	0.008	no	yes
	(0.60)	(0.02)	(0.29)	(0.91)	(0.24)	(0.09)
Former Colony	1.072***	2.557***	0.880***	1.712***	no	yes
	(0.00)	(0.00)	(0.00)	(0.00)	(0.38)	(0.00)
Donor Exports (lagged)	0.062***	0.070***	0.078***	0.159***	no	yes
	(0.00)	(0.00)	(0.00)	(0.00)	(0.29)	(0.00)
Donor Imports (lagged)	0.040***	0.004	0.070***	0.059***	yes	yes
	(0.00)	(0.62)	(0.00)	(0.00)	(0.00)	(0.00)
Income (lagged)	-0.485***	-0.552***	-0.431***	-0.874***	no	yes
	(0.00)	(0.00)	(0.00)	(0.00)	(0.18)	(0.00)
Disaster	0.023***	0.017***	0.018***	0.029***	no	no
	(0.00)	(0.00)	(0.00)	(0.00)	(0.29)	(0.11)
Civil War (lagged)	0.064	0.117	0.062	0.088	no	no
	(0.28)	(0.24)	(0.39)	(0.31)	(0.98)	(0.81)
Democracy (lagged)	0.099***	0.069***	0.075***	0.033	no	no
	(0.00)	(0.01)	(0.00)	(0.28)	(0.34)	(0.37)
Donor fixed effects	no	yes	no	yes		
Year fixed effects	no	yes	no	yes		
Constant	2.285***	13.694***	1.826***	19.628***		
	(0.00)	(0.00)	(0.00)	(0.00)		
Observations	20,275	11,933	16,014	11,978		
Dyads	1,614	1,265	1,614	1,417		
Recipients	111	107	111	111		
Donors	15	15	15	15		

Table 12: Two-Part Analysis of Dyadic Aid Allocation, Same Dyads Only. For probit models, the dependent variable equals 1 if the recipient received aid from the donor in year *t* and zero otherwise. Truncated OLS models include only those observations with positive aid (those with a dependent variable=1 in the probit models). In these, the dependent variable is the log of aid from donor to recipient in year *t*. Standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

measure is not available for the earlier time period.

Table 14 summarizes results from 465 cross-sectional regressions estimated for every donor-year included in Models 1 and 2 of Table 2 in the main analysis (222 for the 1973-1988 period and 243 for the post-2001 period). For each variable, Table 14 reports the percent of donor-year regressions for which the coefficient on the variable was significant and positive or significant and negative in each period, with significance determined by $p \leq 0.10$.

Results aggregated for the OECD Table 15 examines whether similar patterns to the dyadic analysis emerge when examining aid commitments to recipients summed across OECD donors; this analysis is referred to in the main paper. While the dyadic analysis allows closer examination of the role played by individual donor-recipient ties in determining aid flows, aggregating aid to a recipient across OECD donors provides an opportunity to better understand the changing role of explanatory variables in determining total aid received by a country from all of these donors. One possibility is simply that donor specialization has changed over time, resulting in a change in dyadic flows but little impact on overall aid receipts for a country from OECD donors. Recipients will feel a larger impact if the changes affect aggregate aid received, not simply the distribution of their aid across donors.

Table 15 shows results of this analysis, using data aggregated by recipient-year from Table 1 in the main paper. Models are estimated using OLS as zeros on the dependent variable are not a concern when aggregating aid across donors. The dependent variable is the sum of all aid from DAC members to the recipient in that year (logged). *Income, Population, Disaster, US Military Assistance, Security Council Member, Civil War* and *Democracy* are measured at the recipient-year level in Table 2 in the main paper, so there are no changes to these variables. *Distance* in Table 15 represents the minimum distance recorded between that recipient and DAC members for that year. *SIPRI Arms Transfers, Imports* and *Exports* are summed across all DAC donors for the recipient-year. *UN Vote Distance* is the average vote distance between the recipient and DAC donors for that year. *Former Colony* equals 1 if the recipient was ever a former colony of any DAC member giving aid that year and zero otherwise. The analysis is presented both for all available recipients in each

	Analogous to Model 2	
	2002-2012	2002-2012
Governance (WGI)	-0.127	-5.783***
	(0.32)	(0.00)
Distance	-2.360***	-5.140***
	(0.00)	(0.00)
Governance*Distance		0.644***
		(0.00)
Population (lagged)	0.855***	0.861***
	(0.00)	(0.00)
US Military Assistance	0.043***	0.043***
	(0.01)	(0.01)
SIPRI Arms Transfers	-0.016	-0.016
	(0.32)	(0.33)
UN Vote Difference	-0.112	-0.152
	(0.49)	(0.35)
Security Council Member	0.230	0.213
	(0.16)	(0.19)
Former Colony	4.417***	4.402***
	(0.00)	(0.00)
Donor Exports (lagged)	0.377***	0.373***
	(0.00)	(0.00)
Donor Imports (lagged)	0.230***	0.233***
	(0.00)	(0.00)
Income (lagged)	-2.179***	-2.193***
	(0.00)	(0.00)
Disaster	0.094***	0.095***
	(0.00)	(0.00)
Civil War (lagged)	0.150	0.080
	(0.42)	(0.67)
Democracy (lagged)	0.358***	0.364***
	(0.00)	(0.00)
Constant	18.760***	43.353***
	(0.00)	(0.00)
Sigma	6.157***	6.150***
	(0.00)	(0.00)
Observations	29,388	29,388
Donor fixed effects	yes	yes
Year fixed effects	yes	yes
Censored	7,873	7,873
Uncensored	21,515	21,515
Dyads	3,533	3,533
Recipients	156	156
Donors	23	23

Table 13: Dyadic Aid Allocation Including Governance (WGI). Analogous to Model 2 from Table 2 in the main paper. Dependent variable is the log of (one plus) aid from donor to recipient in year *t*. Tobit models with standard errors clustered on dyad; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

Percent of Coefficients on All Donor-Year Regressions				
	Significant, Positive		Significant, Negative	
	1973-1988 (222 Models)	2002-2012 (243 Models)	1973-1988 (222 Models)	2002-2012 (243 Models)
Distance	36.5	2.1	11.7	64.2
Population	7.2	55.1	27.0	1.2
Income	0.5	0.4	91.0	77.4
US Military Assistance	36.5	18.5	0.9	1.2
Sipri Arms Transfers	9.0	0.8	0.5	2.5
UN Vote Distance	13.5	10.7	6.8	16.5
Security Council Member	5.0	2.1	1.8	2.1
Donor Exports	45.9	31.3	0.9	2.9
Donor Imports	15.3	26.3	5.0	2.5
Disaster	11.7	21.0	3.2	3.3
Civil War	3.6	6.6	4.5	6.2
Former Colony	9.0	19.8	0.0	0.0
Democracy	21.6	19.3	4.1	5.3

Table 14: Percent of Coefficients on Donor-Year Cross-Section Regressions. Values represent the percent of all donor-year regressions for that period in which the coefficient on the variable listed on the left fit the criteria for the column (significant and positive or significant and negative). Data are the same as those used to estimate Models 1 and 2 in Table 2 of the main analysis, but estimated for each individual donor-year. Significance determined by $p \leq 0.10$.

period and for only those recipients in the sample in both periods.

	All Available Data			Same Recipients Only		
	1973-1988	2002-2012	Test for Difference Across Periods	1973-1988	2002-2012	Test for Difference Across Periods
Distance	2.171***	-0.470***	p=0.000	1.575**	-0.513***	p=0.001
	(0.00)	(0.00)		(0.02)	(0.00)	
Population (lagged)	-0.380	0.538***	p=0.001	-0.142	0.531***	p=0.000
	(0.17)	(0.00)		(0.49)	(0.00)	
US Military Assistance	0.041	0.038***	p=0.919	0.071***	0.029***	p=0.152
	(0.24)	(0.00)		(0.01)	(0.01)	
SIPRI Arms Transfers	0.042*	0.002	p=0.077	0.036*	-0.006	p=0.047
	(0.06)	(0.78)		(0.08)	(0.38)	
UN Vote Distance	-0.134	-0.402***	p=0.667	-1.179**	-0.454***	p=0.967
	(0.83)	(0.00)		(0.01)	(0.00)	
Security Council Member	-0.250	0.160	p=0.275	0.184	0.151	p=0.911
	(0.50)	(0.12)		(0.53)	(0.17)	
Former Colony	5.759***	0.701***	p=0.002	3.644***	0.590***	p=0.005
	(0.00)	(0.00)		(0.00)	(0.00)	
Donor Exports (lagged)	0.391	-0.163***	p=0.038	0.465**	-0.121	p=0.015
	(0.13)	(0.00)		(0.04)	(0.18)	
Donor Imports (lagged)	0.054	0.096	p=0.820	-0.170	0.141**	p=0.073
	(0.77)	(0.10)		(0.29)	(0.03)	
Income (lagged)	-1.428***	-0.481***	p=0.007	-0.998***	-0.567***	p=0.077
	(0.00)	(0.00)		(0.00)	(0.00)	
Disaster	0.037	0.008	p=0.240	0.042*	-0.006	p=0.028
	(0.14)	(0.38)		(0.05)	(0.51)	
Civil War (lagged)	1.025*	0.249*	p=0.157	0.648	0.083	p=0.156
	(0.07)	(0.07)		(0.11)	(0.53)	
Democracy (lagged)	0.038	0.096**	p=0.662	0.084	0.079	p=0.967
	(0.76)	(0.03)		(0.40)	(0.10)	
Year fixed effects	yes	yes		yes	yes	
Constant	0.817	18.459***		5.552	18.301***	
	(0.90)	(0.00)		(0.35)	(0.00)	
Observations	1,535	1,529		1,492	1,116	
Countries	115	160		112	112	
R-squared	0.563	0.750		0.536	0.781	

Table 15: Determinants of Aid Allocation, Aggregate OECD. OLS models; unit of analysis is recipient-year. Dependent variable is the log of (one plus) aid from all OECD/DAC members to a recipient in year *t*. Robust standard errors clustered on recipient; p-values in parentheses. All variables except Civil War, Former Colony, Democracy, UN Vote Distance, and Security Council Member are measured in natural logs. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

4 Aid Composition Analysis

Included in the main analysis of aid composition are the sectors General Budget Support, Economic Infrastructure, Production Sectors, Social Infrastructure and Services and Humanitarian Assistance.[2] "General Budget Support" consists of "unearmarked contributions to the government budget" and "support for the implementation of macroeconomic reforms (structural adjustment programmes, poverty reduction strategies)." "Economic Infrastructure" aid is mainly used in transportation, communications, energy, banking and finance, and business services. "Production sectors" include agriculture, forestry, fishing, industry, mining, construction, trade, and tourism. The "Social Infrastructure and Services" (Social Sector) classification includes funds for education, health, population, water, and government and civil society. "Humanitarian assistance" is meant to include help rendered for a situation that is the result of a man-made or natural disaster. I exclude the sector categorizations of "multisector" and "action related to debt" from the analysis here, as well as some residual categories that account for only a small fraction of aid flows. "Multi-sector" captures allocations that cut across sectors, and can include things such as environmental programs not captured elsewhere - because of the heterogeneity of this category it is difficult to place it on a spectrum of likely government involvement. The real value of aid classified as "action related to debt" is difficult to ascertain: the recorded value is the book value of any debt forgiveness. However, since payment in full on much of the cancelled debt was highly unlikely - and may have varied non-randomly across recipients - the book value overstates the true value in a non-uniform way, making this category problematic for comparisons.

The OECD includes another categorization, channel of aid delivery, which captures whether aid was delivered through the public sector, NGOs or multilateral organizations. Unfortunately, data for this classification are limited over time, making it problematic for general analysis. Nevertheless, variations in channel of delivery in the available data support the idea that government involvement differs by sector. Using data for 2012, of the aid categorized by channel, the percent channeled through the public sector is 96% for General Budget Support, 88% for Economic

[2]Full descriptions at: http://www.oecd.org/dac/stats/purposecodessectorclassification.htm.

Infrastructure, 58% for Production Sectors, 58% for Social Sectors, and 10% for Humanitarian Assistance. In each case the vast majority of remaining aid is channeled through NGOs or multilateral organizations.[3]

This section includes the full regression results that produce all coefficients on the governance variables *WGI* and *ICRG* in Table 5 of the main paper. All models are estimated using a Seemingly Unrelated Tobit framework with left censoring at zero and equations for all sectors specified in a multi-equation system. In addition to the sectors reported, "multi-sector" and "debt relief" are included in the Tobit framework for completeness. They are not reported as there is no clear theoretical expectation regarding the importance of governance in these sectors. Replication files produce the full results. OECD aid includes all bilateral aid from Development Assistance Committee (DAC) members as well as European Union aid.

4.1 Percent of Aid by Sector, WGI

Tables 16 and 17 show the full results associated with Panel A of Table 5 in the main paper, including year and recipient fixed effects, respectively.

4.2 Percent of Aid by Sector, ICRG

Tables 18 and 19 show the full results associated with Panel B of Table 5 in the main paper, for the periods 2002-2012 and 1984-1988, respectively.

[3]Percentages calculated from the OECD CRS dataset, accessed 2/16/16.

	Budget Support	Economic Infrastructure	Production Sectors	Social Sectors	Humanitarian Relief
Governance (WGI)	0.796***	0.480***	0.263***	0.012	-0.428***
	(0.00)	(0.00)	(0.00)	(0.80)	(0.00)
Democracy	0.203**	0.021	0.012	-0.026	-0.061
	(0.05)	(0.63)	(0.72)	(0.15)	(0.18)
Income	-1.289***	-0.278***	-0.069	0.060**	-0.180***
	(0.00)	(0.00)	(0.12)	(0.02)	(0.01)
Population	-0.076	0.188***	0.029	0.045**	-0.051
	(0.33)	(0.00)	(0.32)	(0.02)	(0.14)
Disaster	-0.007	-0.018*	0.011	0.005	0.040***
	(0.77)	(0.10)	(0.15)	(0.29)	(0.00)
Civil War	0.597**	0.235	-0.111	-0.254***	0.699***
	(0.04)	(0.14)	(0.21)	(0.00)	(0.00)
Fixed Effects	Year	Year	Year	Year	Year
Observations	1507	1507	1507	1507	1507
Countries	159	159	159	159	159

Table 16: Percent Aid by Sector, 2002-2012. Dependent variable is the log of (one plus) the percent of the recipient's aid from OECD/DAC donors allocated to that sector. Estimated using a seemingly unrelated regressions Tobit framework with errors clustered on recipient; p-values in parentheses. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

References

Nielson, Daniel L., Ryan M. Powers and Michael J. Tierney. 2010. "Broad Trends in Foreign Aid: Insights from PLAID 1.9.1." Presented at the conference "Aid Transparency and Development Finance: Lessons and Insights from AidData," Oxford, UK.

	Budget Support	Economic Infrastructure	Production Sectors	Social Sectors	Humanitarian Relief
Governance (WGI)	0.665***	0.366***	0.319***	0.021	-0.567***
	(0.01)	(0.00)	(0.00)	(0.72)	(0.00)
Democracy	0.627***	0.250***	-0.027	-0.019	-0.091*
	(0.00)	(0.00)	(0.61)	(0.58)	(0.08)
Income	-0.469	-0.579***	-0.982***	0.580***	-0.746***
	(0.27)	(0.01)	(0.00)	(0.00)	(0.00)
Population	-2.220*	-0.943	0.007	2.263***	-0.439
	(0.09)	(0.14)	(0.98)	(0.00)	(0.25)
Disaster	0.020	-0.003	-0.004	0.004	0.024***
	(0.21)	(0.71)	(0.50)	(0.34)	(0.00)
Civil War	0.002	0.440***	-0.022	0.058	0.151
	(0.99)	(0.00)	(0.82)	(0.34)	(0.10)
Year	-0.028	0.083***	0.050***	-0.050***	0.041***
	(0.29)	(0.00)	(0.00)	(0.00)	(0.00)
Fixed Effects	Recipient	Recipient	Recipient	Recipient	Recipient
Observations	1507	1507	1507	1507	1507
Countries	159	159	159	159	159

Table 17: Percent Aid by Sector, 2002-2012. Dependent variable is the log of (one plus) the percent of the recipient's aid from OECD/DAC donors allocated to that sector. Estimated using a seemingly unrelated regressions Tobit framework; p-values in parentheses. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	Budget Support	Economic Infrastructure	Production Sectors	Social Sectors	Humanitarian Relief
Governance (ICRG)	4.094***	2.191***	-0.199	-0.035	-1.304**
	(0.00)	(0.00)	(0.67)	(0.89)	(0.04)
Democracy	0.269***	0.131***	0.100***	-0.004	-0.155***
	(0.01)	(0.00)	(0.00)	(0.84)	(0.00)
Income	-1.334***	-0.128**	-0.020	0.117***	-0.253***
	(0.00)	(0.02)	(0.71)	(0.00)	(0.00)
Population	0.056	0.250***	0.018	-0.006	-0.105*
	(0.66)	(0.00)	(0.70)	(0.76)	(0.08)
Disaster	-0.036	-0.011	0.020**	0.010*	0.034**
	(0.25)	(0.45)	(0.05)	(0.08)	(0.01)
Civil War	0.147	0.050	-0.189*	-0.196*	0.948***
	(0.71)	(0.80)	(0.09)	(0.05)	(0.00)
Fixed Effects	Year	Year	Year	Year	Year
Observations	987	987	987	987	987
Countries	109	109	109	109	109

Table 18: Percent Aid by Sector, 2002-2012. Dependent variable is the log of (one plus) the percent of the recipient's aid from OECD/DAC donors allocated to that sector. Estimated using a seemingly unrelated regressions Tobit framework with errors clustered on recipient; p-values in parentheses. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

	Budget Support	Economic Infrastructure	Production Sectors	Social Sectors	Humanitarian Relief
Governance (ICRG)	1.197	-0.005	-0.209	-0.192	-0.575
	(0.44)	(0.99)	(0.72)	(0.78)	(0.33)
Democracy	0.353*	0.052	-0.031	0.014	0.065
	(0.06)	(0.60)	(0.66)	(0.86)	(0.38)
Income	-1.147***	-0.437***	-0.260***	-0.201	-0.166*
	(0.00)	(0.01)	(0.01)	(0.14)	(0.10)
Population	-0.500**	0.122	0.151**	0.079	-0.111
	(0.02)	(0.31)	(0.03)	(0.41)	(0.24)
Disaster	-0.085**	-0.035*	0.006	-0.010	0.034*
	(0.05)	(0.06)	(0.71)	(0.48)	(0.09)
Civil War	1.047	0.509*	-0.326	-0.101	0.538**
	(0.18)	(0.10)	(0.10)	(0.59)	(0.03)
Fixed Effects	Year	Year	Year	Year	Year
Observations	352	352	352	352	352
Countries	80	80	80	80	80

Table 19: Percent Aid by Sector, 1984-1988. Dependent variable is the log of (one plus) the percent of the recipient's aid from OECD/DAC donors allocated to that sector. Estimated using a seemingly unrelated regressions Tobit framework with errors clustered on recipient; p-values in parentheses. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.