Donor Funding and Institutional Expansions in International Organizations: Failures of Legitimacy and Efficiency

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Abstract

International organizations (IOs) often expand the scope of their missions or increase their institutionalization over time. But occasionally those expansions stem from the priorities of external funders, not from the member-states themselves. What explains the varying levels of implementation of those expansions when originated by those different actors? Power-based theories would argue that externally funded reforms would be most likely to take hold and become integral parts of the organization’s mandate, since these external actors are often dominant states (such as the US, China, and Japan) or larger and more prominent IOs (the EU, the World Bank, and the United Nations). However, I argue that such reforms are actually less likely to take hold, either because of a lack of legitimacy of the donor or a lack of efficiency in the endeavors. These expansions are often infrequently implemented, and they may be more reflective of donor interests than of member-state initiatives. The paper presents broad empirical evidence showing that across a set of trade organizations, donor funding is associated with not only expansions in an organization’s scope and institutionalization; it is also associated with an inability to implement those expansions. To isolate the mechanisms and trace causality, the paper offers two sets of case illustrations, one involving courts in Latin America and Africa, and the other concerning security provisions adopted by trade organizations in Africa. These cases demonstrate that when the court or security force was initially conceived and funded by external donors, it proved ineffective and collapsed. This illustrates the argument that externally funded initiatives often fail through illegitimacy and inefficiency. Word count: 11,083
1 Introduction

International organizations (IOs) often expand in terms of scope or institutionalization — that is, including new issue areas beyond their initial mandates, or adding features of deeper institutionalization such as courts and parliaments. But what is the motivation for those expansions, and when are they actually implemented?\(^1\) Much of the IO literature assumes that any expansions in IO design emerge as the result of bargains among member states, or at least that organizations evolve in ways that reflect the interests of the member states and are thus suited to the cooperative problem at hand.\(^2\) This implies that those expansions are bound to work well, since member states would have thought through the eventualities.\(^3\)

Yet often these design features remain unimplemented in practice.\(^4\) For example, twelve years after it was founded, Mercosur (a trade agreement among Brazil, Argentina, Uruguay, and Paraguay) established a parliament with the ostensible aim of incorporating more involvement of member-state legislators. On paper the court was structured to operate almost identically to that of the European parliament.\(^5\) However, the parliament went from having 10 sessions in 2008 to one in 2011, and none at all in 2012 or 2013.\(^6\) Why would the members of existing agreements bother to design and build new features that are subsequently abandoned, or not used for their original purpose?

Part of the explanation lies in the fact that the creation of this institution stemmed primarily not from a member-state initiative, but instead was promoted by the European Union. Starting in the late 1990s, the EU began encouraging and funding for regional organizations to build parliaments that resembled the EU parliament. This effort ex-

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\(^1\) On this topic, see Mitrany 1933; Keohane and Hoffmann 1991; Young 1991; Colgan, Keohane and Van de Graaf 2012.

\(^2\) See, for example, Koremenos, Lipson and Snidal 2001; Colgan, Keohane and Van de Graaf 2012.

\(^3\) While some research in international organizations does account for bureaucratic expansion of IOs, Barnett and Finnemore 1999; Pauly 1999 scholars tend to assume that preference for those expansions comes from either the bureaucracy itself (see, for example, Babb 2003; Chwieroth 2009 on organizational culture in the IMF and Weaver 2008 on the World Bank) or from the member states Brusis 2010.

\(^4\) Haftel 2012.

\(^5\) Lenz 2012.

\(^6\) Lucci 2012.
tended to Mercosur, which received a budget of 917,175 euros over three years for the establishment and maintenance of the parliament.  Thus, the similarity to the European parliament was no accident; it was a design that was directly promoted and financed by the European Commission.

This example points to an important recent development in changes in IO design over time: namely, the influence of external powers on the programming, institutional design, and financing of those IOs. Particularly in the developing world, which is long on IOs but short on member-state funds to support them, external sources — including state actors such as the EU, Japan, and increasingly China as well as nonstate actors like the World Bank and the UN — have bankrolled large portions of the operating budgets of many IOs. External donors have constructed secretariat headquarters; established institutions such as courts and parliaments; and supported various projects, including public-health and security initiatives, that often extend beyond the initial scope of the organization. But this form of influence has been largely unacknowledged in the IO literature. And yet external actors can substantially impact the ways that IOs work as well as those organizations’ attendant impacts on international cooperation.

One might expect, given power-based theories of influence, that these powerful external actors would be able to successfully impose their will on the less-powerful constellations of countries. However, I argue that the more influence that external donors have behind IO expansions, the more likely it is that those initiatives will remain unimplemented in practice. This comes about through two different mechanisms that are not mutually exclusive. The first is through lack of legitimacy of the institutional expansion.

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7 Dri 2009.
8 Westphal 2005.
9 The study of powerful external forces on less-powerful states has long been documented (see, for example, Strang and Meyer 1993; Meyer, Boli, Thomas and Ramirez 1997), but these arguments usually do not extend to the study of IOs. For exceptions, see Finnemore 1996; Cardenas 2003.
10 For example, the overall budget of the Organization of Eastern Caribbean States
11 For example, the headquarters of the Organization of Eastern Caribbean States was funded by Germany; CARICOM’s was built by Japan.
12 The recent studies on this tend to examine the behavior of a single donor, such as the EU Lenz 2012; Joliff 2013; Jetschke and Lenz 2013, and they do not focus on the effects of such funding on the organization itself.
If member states view externally funded initiatives as not reflecting member-state needs, they are prone to being targeted as illegitimate\textsuperscript{13} and are likely to stall, as organizations sometimes take on projects or institutions that might not be appropriate to the needs of their members.\textsuperscript{14} The second is through lack of efficiency. If donors add new competencies to organizations that did not function well in the first place, the new initiatives are prone to the same difficulties that plagued cooperation among member states even at the most basic level.\textsuperscript{15} This goes against functionalist approaches, which would assume that such organizations built on new areas of competency because of their successes in the areas of economic reform.\textsuperscript{16}

This argument builds off insights from the literature on policy diffusion, which often finds that actors adopt policy measures while lacking the conditions to make those new policies work.\textsuperscript{17} Related claims can be found in studies on comparative development, which find that policies that do not match the environments in which they are adopted often do not produce good results.\textsuperscript{18} Similarly, the study of the sociology of organizations often finds that externally imposed solutions are less effective.\textsuperscript{19} This paper examines the precise channels and mechanisms through which such phenomena occur.

I demonstrate these propositions through exploring data on donor funding of trade organizations from 1980 to the present, as well as through examination of several cases and firsthand interviews. Trade organizations are a good test case because the majority of them started out as economic agreements alone, but many of them over recent years have both expanded their scope and added on features of deeper institutionalization. Contrary to the claims of rational design and functionalism, I show that changes in the scope as well as of the levels of institutionalization of those organizations tends to be associated

\textsuperscript{13}On the importance of legitimacy in IO effectiveness, see Voeten 2005; Chapman 2009.
\textsuperscript{14}Pauly 1999; Eberwein and Schemeil 2010; Cardenas 2003; Dutton and Dukerich 1991.
\textsuperscript{15}An investigation of donor motivations in funding other IOs is beyond the scope of this article, but there is evidence that they often do so for political reasons, particularly if those IOs are in former colonies (Aronow, Carnegie and Marinov, 2014). Studies have found that politically motivated aid tends to be less effective (Dreher et al., 2010; Bearce and Tirone, 2010).
\textsuperscript{16}Haas 1964.
\textsuperscript{17}Collier and Messick 1975; Weyland 2009; Aklin and Urpelainen 2014.
\textsuperscript{18}Andrews 2013.
\textsuperscript{19}DiMaggio and Powell 1983.
with the presence of external grant programs. I also show that organizations that tend to have a gap between their goals and their achievements tend not only to get more external funding but also to get funding related to projects and ventures that have nothing to do with trade — even though trade tends to be the stated purpose of the organizations in question.

Causality is difficult to establish from the numbers alone, however, and the mechanisms that underpin the relationship among expansions, implementation, and donor funding are not observable in those aggregate measures. To redress this problem, I illustrate the interplay between external funding and implementation using case illustrations of economic agreements that expanded their scope (by adding on peacekeeping activities) and institutionalization (by adding a court). In both issue areas, I look at examples where the expansions were either initiated on the behest of member states, or from an externally funded donor initiative. The narratives show the origination of the projects, which would otherwise be tough to identify from observing aggregate data on the initiatives. I show that the donor-originated peacekeeping initiatives faltered due to inefficiencies, while the donor-originated court initiative failed because of the perceived illegitimacy of the endeavor.

This paper proceeds as follows. The next section situates this argument in the literature on the rational design of institutions as well as theories of organizational adaptation. I argue that we would expect high levels of donor funding to be associated with higher levels of designed scope and institutionalization of these agreements, though causality is difficult to track in that relationship. Section Three discusses the empirical evidence on donor funding to trade organizations and shows patterns of association that support the hypotheses. Section Four traces causality and explores the underlying mechanisms through examining two different sets of cases, each with an initiative that was funded in one instance by member states, and in the other by external grants. One involves courts: the Andean Community’s largely self-financed court, and SADC’s establishment of a Tribunal through an EU-funded initiative. The second involves security missions,
focusing primarily on ECOWAS’s initial peacekeeping mission, which was conceived of and financed not by donors but by the largest member-state, Nigeria. This contrasts with several central African peacekeeping missions that were externally funded and have met with limited success. In both issue areas, the initiative fared worse when it originated from external funders, either due to a lack of legitimacy on the part of the perceived venture or a failure of efficiency. The final section concludes.

2 Organizational Adaptation for Donor Funding

The rational design assumption underlies much of the empirical work on the shape of international economic agreements; work that examines the impact of the design of, for example, preferential trading arrangements and its impact on cooperation in practice. Much of this work has centered on the political and economic determinants of agreement formation. But just as many scholars have noted the rise of these trade-based organizations and argued as to their positive benefits for cooperation, others have noted that economic agreements often do not live up to their commitments, and that these organizations tend to persist even if they have outlived their original mandate.

Yet at the same time, many of those organizations have expanded the scope of issue areas that they cover and added features such as courts and parliaments that are hallmarks of the stronger institutionalization that many associate with deep cooperation. If trade organizations often fail to fulfill their original mandates of trade promotion, why do they add on even more areas of potential cooperation and building what look on their face to be stronger institutions? That is, if cooperation failed to materialize under organizations’ original sets of goals, and if the original institutional setups proved

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20Baccini and Dur 2009; Kucik and Reinhardt 2008; Kucik 2012.
22Solingen 2008; Mansfield and Milner 1999.
23Goertz and Powers 2012.
24Haftel 2012.
26Goertz and Powers 2012.
27Alter, Helfer and Guertzovich 2009.
lacking, why would they add new ones? There are a few possible answers to this puzzle in the existing literature. One is that, having struggled with meeting their initial goals, the organizations turn to new areas where they might have more traction. This seems to be the case with the Economic Community of West African States (ECOWAS); although it had a poor record of economic cooperation, it subsequently reoriented toward the area of regional peacekeeping with notable success. However, there is a second possible answer: that changes in the scope and institutional arrangements of agreements might be exogenously determined, by actors that are not part of the member-state configuration.

The links among international organizations, mandate expansions, and external actors have not been fully established. Some authors have noted that external forces can influence regional organizations, usually implicitly through emulation of design practice. But others have noted that the influence may be more explicit, as external actors make monetary contributions to various international organizations. For example, between 1992 and 1994 alone, the European Commission initiated projects for increased institutionalization of various trade organizations — most in its member states’ former colonial orbits — worth 24 million euros. Lenz 2012 shows that many of the institutional features of the South African Development Community and Mercosur were undertaken at the behest of the EU.

This leads to a basic hypothesis:

- **H1** High levels of external funding in trade organizations will be associated with expansions of scope and institutionalization.

However, as the organizations adopt the programs and priorities of external donors, they may undertake mandate changes that are inappropriate or costly. One such or-

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28Hanink and Owusu 1998.
29Levitt 1998.
30Boerzel and Risse 2009b; Jo and Namgung 2012; Jetschke and Lenz 2013.
31Research on this topic tends to focus on donor preferences (McLean, 2012) or the efficiency of the aid structure (Dietrich, 2012). But none has systematically linked expansions of scope and institutionalization with external funding as a systematic pattern among organizations.
32Botto 2009.
33Acemoglu, Ticchi and Vindigni 2007.
ganization is the Caribbean Community (CARICOM), a regional integration initiative founded in 1972 that currently finances almost 70 percent of its budget through donor contributions. Much of this is program funding in the areas of health; the UN, the World Bank, the Bill and Melinda Gates Foundation, and several bilateral donors have run HIV-AIDS awareness and prevention programs through CARICOM since the early 2000s. But often those programs are finite and must be discontinued once the funding dries up or if donor priorities shift elsewhere. One official representative to CARICOM describes a program initiative to coordinate central bankers in the region. “The program was a success, and we established very good mechanisms [for cooperation] ... but once the program ran its course there was no financing to continue the meetings and reports, so the whole initiative stopped as though it had never happened.”

Indeed, many scholars acknowledge that there is frequently a gap between the designed scope and institutionalization, and the degree to which those features are actually put into effect. Thus, it is important to conceptualize the implemented scope and institutionalization as well as the way those features look on paper. While external financing of IGOs would be associated with changes in the de jure features of an agreement, those features might not have much of an impact de facto.

This paper does not claim that externally imposed reforms are the sole driver of implementation in IOs. Rather, it argues that given a situation where organizations adopt various institutional reforms or changes in scope, those measures tend to be less frequently implemented if they originate from the funding priorities of third parties. Such a claim will not be surprising when one considers the vast literature on development aid, which frequently argues that external donors often get their aid initiatives wrong.

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35 Author interview, Dr. June Soomer, St Lucia Ministry of Foreign Affairs, 2 March 2012.
36 Downs, Rocke and Barsoom 1996; Boerzel 2005; Gray and Slapin 2011.
37 This conjecture taps into a vast literature on the effectiveness of foreign aid; see, for example, Alesina and Dollar, 2000; Meernik, Krueger, and Poe 1998; Schraeder, Hook, and Taylor, 1998; Svensson, 1999; Wright, 2007; Bermeo, 2007; Dunning, 2004; Neumayer, 2003; Burnside and Dollar, 2000; Bearce and Tirone, 2010.
38 The literature on this topic is immense, but see, for starters, Easterly 2006; Djankov, Montalvo and Reynal-Querol 2008a.
claim is similarly made in the literature on policy diffusion, particularly with respect to practices being blindly emulated without consideration for their local appropriateness.\textsuperscript{39} It is, however, a novel consideration in the study of international organizations, which infrequently even acknowledges that organizational changes may come directly from parties other than the member-states themselves.\textsuperscript{40} Acknowledging, first, the possibility that changes in IOs sometimes stem from parties external to both the member states and also from the bureaucracy itself is a previously unrecognized part of the story of IO change over time. And, second, drawing implications about the possible impact of those changes, based on what we know from the development literature, gives a more complete picture of IO performance.

We can express these ideas in the form of a testable hypothesis:

- **H\textsubscript{2}** High levels of external funding in trade organizations will be associated with \textit{less implemented} expansions of scope and institutionalization.

There are also several mechanisms that might underlie this relationship, none of which are mutually exclusive. One is the potential problem of \textit{legitimacy} of the funding. If there are either real or perceived biases or conflicts of interest that accompany the reform and the funding, it is possible that local actors might be suspicious of the motivations of the reform and thus would fail to implement it fully.\textsuperscript{43} This could take many forms: national governments could fail to ratify the portion of the agreement or to comply with their obligations.\textsuperscript{44} Citizens in national governments could also fail to make use of the new provisions.

One illustration of the legitimacy principle came about through donor funding associated with the economic partnership agreement (EPA) that the EU conducted with the

\textsuperscript{39}This is also a vast literature, but see, for example, Drezner 2001; Simmons and Elkins 2004; Henisz, Zelner and Guilln 2005; Jacoby 2006; Weyland 2009; Meseguer 2009.

\textsuperscript{40}Some recent work examines the role of bureaucracies in IOs \textsuperscript{41}, as well as domestic bureaucracies’ role in the implementation and allocation of incoming aid \textsuperscript{42}, but largely the topic of organizational change is presumed to be a process originating in member-state bargains.

\textsuperscript{43}This runs counter to some of the claims about how states use IOs to \textit{enhance} the legitimacy of certain policies (Abbott and Snidal, 2000; Chapman, 2009) but is consistent with studies about how foreign actors are often perceived as illegitimate (Barnett and Finnemore, 1999; Hurd, 1999).

\textsuperscript{44}Haftel and Thompson 2013; Kelley and Pevehouse 2014.
Caribbean. EU officials were unwilling to negotiate bilaterally with each of the countries and to that end funded a Caribbean Regional Negotiation Machinery (CRNM) in CARICOM to conduct the negotiations.\textsuperscript{45} But the various member states tended to lack clear positions on the issues and in many cases did not have the capacity to provide data to the CRNM. Thus, absent clear negotiating stances from the member states, the CRNM staff tended to use their own judgment in coming up with policy positions. This led to accusations that the negotiators “felt they knew better and ... pressured member states to undertake further commitments.”\textsuperscript{46} Additionally, because the EU and other external donors footed the majority of the CRNM’s budget, it was perceived as a “tool of European Commission”; one member-state’s former minister was quoted as saying “ultimately how much clout can you have when [external donors] pay the CRNM? ... ‘In the future, top negotiators must be paid directly by governments, not by those they are negotiating with.’”\textsuperscript{47} The EPA was eventually signed, but implementation levels have been extremely low in the Caribbean, in part due to perceptions of the illegitimacy of the negotiating process.\textsuperscript{48} As another author put it, with regard to technical assistance that the WTO extends to developing countries, “if a negotiator has his salary paid by a trade partner country and has traveled to a negotiation with that country on a ticket paid for by that country, it may be difficult for him to disregard this when in the negotiation.” This leads to a perception of aid acting as “‘Trojan horses’ in the guise of technical assistance.” \textsuperscript{49}

A second is the \textit{inefficiency} of the measures, due to the possible inapplicability of the reform to the situation on the ground. External actors may not be the best equipped to judge what is most needed in a particular group of countries,\textsuperscript{50} and donor priorities may

\begin{itemize}
\item \textsuperscript{45}According to the chief negotiator, the EU “reinforced by the US. Those were the dominant powers, and they were saying, ‘I’m not going to bother to meet with the prime minister of some country with only 45,000 people, so come together or we won’t bother.’ So external forces were pushing us to some extent.” Author interview, 9 November 2013.
\item \textsuperscript{46}Jones 2013.
\item \textsuperscript{47}Indeed, in a survey of developing-country negotiators, respondents indicated that international donors had the second-highest influence over national trade policy, following businesses (ibid).
\item \textsuperscript{48}Bishop, Heron and Payne 2013.
\item \textsuperscript{49}Tandon 2004.
\item \textsuperscript{50}Easterly 2006.
\end{itemize}
not align with the most pressing needs of the recipient.\textsuperscript{51} This is in line with legal studies that show that adopting a legal framework that is specific to a particular institution is not the best way of solving a commitment problem\textsuperscript{52} and can even result in an undermining of the rule of law.\textsuperscript{53} It is easy to imagine a scenario where an external actor suggests and subsequently funds a policy measure to a local IO, and the organization accepts the funding, but then the initiative dies out or is poorly implemented.\textsuperscript{54} For example, many economic integration endeavors in Central Africa came to a standstill after political unrest took hold in those countries in the later part of the 20th century. The UN had been an early funder of various initiatives in Central African integration organizations, but a tally in 1990 revealed that only three out of 25 projects approved in 1986 had actually been implemented. This was chalked up to “persistent contradictions” between the priorities set by the donors and those held by national and sub-regional units.\textsuperscript{56} In the 1990s, the EU — spearheaded by Belgium, which was the former colonial power in many of those countries — and the United Nations tried to revive many of the previously failed economic agreements. The EU and Belgium contributed 5 million euros, including paying its entire first year budget of 970,000 euros, to restart CEPGL, an economic community created in 1977 among Burundi, the Democratic Republic of the Congo (DRC), and Rwanda.\textsuperscript{57} The organization accepted the money but then did not follow through; meetings persistently collapsed because the DRC never bothered to send delegates.\textsuperscript{58} Donor-funded projects met similar fates; in 2014 the EU suspended funding for a 25 million euro regional road

\textsuperscript{51}Djankov, Montalvo and Reynal-Querol 2008b.  
\textsuperscript{52}Helfer and Slaughter 2005, Trachtman 2013  
\textsuperscript{53}Slapin 2014.  
\textsuperscript{54}This also played out in the previously mentioned WTO episode of technical assistance to regional negotiators (illustrating that these mechanisms can occur in tandem). In the technical assistance program, according to an evaluation, “no serious effort was made to properly analyze the infrastructure and other requirements for technical assistance programs to be effective. ... The courses tended to be largely formalistic exercises, aimed mainly to give the impression that ‘something was being done’ ... This was no fault of those who actually administered these courses (the staff of the WTO and invited consultants). The fault lay in the very conceptualization of the program by those who negotiated the inclusion of technical assistance as a means of reaching trade agreements” \textsuperscript{55}.  
\textsuperscript{55}“Africa: Lack of Donor Interest Said to Impede Integration,” IPS-Inter Press Service, August 28, 1990.  
\textsuperscript{56}“Central Africa; Gathering of Leaders May Signal New Regional Approach.” Africa News, 15 Nov. 2004  
\textsuperscript{57}“Congo-Kinshasa; DRC Yet to Send Representatives to the CEPGL.” Africa News 27 Aug. 2008
project channeled through CEPGL after an alleged breached the terms of the contract.  

Additionally, externally funded programs usually stem from the agendas of donors themselves and may not coincide with, or at least may be complicated by, activities that an organization is already undertaking. This can lead to inefficiencies in implementation, as bureaucracies struggle with overlapping or contradicting mandates. Anecdotal evidence supports this conjecture. An official at CARICOM’s technology unit describes a situation when, following a donor conference, CARICOM representatives “came back and set down a whole new agenda for IT coordination that they had agreed on with donors. They just put it on my desk and said, ‘this is what we’re doing now.’ But we already had several programs well underway in the areas of IT that had different timelines and goals — but now we were supposed to just stop all of that and redo everything according to the new agreement.” Situations such as this one, when organizations must overlay or discard initiatives to keep apace with donor funding prerogatives, would also lead to poor implementation in the long run.

Similarly, the literature on aid has long acknowledged incentive and efficiency problems that often accompany foreign aid. Even well-intentioned aid suffers from donors’ tendency not to evaluate programs, not to learn from past mistakes, and to push through projects that recipient countries do not have the capacity to implement. The bureaucracies in many trade organizations in developing countries tend to be chronically understaffed at one extreme or bloated and inefficient on the other. Thus, the same inefficiencies that plague development assistance in general are also true, if not magnified, in the instances when donors give to organizations as well as countries. If organizations were simply taking on new initiatives to fulfill a program requirement of external actors, those expansions might not be fully implemented if the member states themselves were not on board.

Yet empirically, these relationships are tricky to untangle. First, it is difficult to

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60 Author interview, Jacqlyn Joseph, Executive Director of the Strategic Planning and Monitoring, and Evaluation Sub-Programme of Information Communication Technology at CARICOM Secretariat, 7 March 2012.
61 Easterly 2002.
establish decisively the intent behind organizational expansions, as well as to unpack the many factors that might make a reform successful or not. That is, even the best-intentioned reforms may be difficult to implement, if there are infrastructural or capacity issues surrounding their implementation. Additionally, the donor funding may be deployed with the intent of improving capacity in the organization as well as the member states themselves. If we observe low implementation, it might be attributable simply to the fundamental inability of many regional organizations to accomplish their goals,\textsuperscript{62} not necessarily to coordination failures on the part of donors.

Similarly, there is a potential endogenous relationship between donor funding and levels of scope and institutionalization. It could be the case that donors target organizations that have at least the trappings of some institutional structure to carry out their programs, or where program scopes are sufficiently broad that there might be some level of competence to undertake the programs. If that were true, program scope would be the main driver of funding and not the other way around. Additionally, the mechanisms described above have similar observable implications (that is, the poor implementation of provisions) that are themselves complex processes that are influenced by many factors simultaneously. These concerns will be addressed in the case studies, which trace the timing as well as the intention of the reforms.

The next section describes the patterns of funding, across donors as well as recipients.

\section*{2.1 Patterns of External Funding}

The most comprehensive source of data on funding of organizations comes from AidData, which relies on self-reporting from 71 donors as to their projects over time. However, those reports vary in terms of their quality and the consistency of their observations. Additionally, many of the projects span multiple years, so the exact time stamp on them is difficult to assess. The earliest observation is from 1955, though the majority of the project activity began in the mid-1980s and picked up in the 2000s. These data are far

\textsuperscript{62} Haftel 2012.
from exhaustive, since many donors do not report their projects, but they are the most complete that are available.\(^{63}\)

Although this paper does not explicitly address donor motivations, it should be noted that the big donors — the EU (as well as EU countries), the US, and Japan — have differing foreign policy objectives, and their funding patterns reflect those objectives. The EU in particular has a tendency to both grant funding to organizations in its members’ former colonies, and it also tends to encourage the structure of regional institutions that look similar to its own (CARICOM and the Andean Community are particular examples of this).\(^{64}\) For its part, the US gives little infrastructural support and leans toward funding of specific programs, many of which have nothing to do with trade promotion per se but instead concentrate on development and security. By contrast, Japan invested heavily in ASEAN so that it would secure a vertical integration network for its own foreign direct investment,\(^{65}\) although its investments have both declined in volume and shifted in scope, addressing terrorism, piracy, and other transnational issues.\(^{66}\) Nonetheless, Japan still provides around 60% of project financing to ASEAN (Kwon 2003), although it does not fund other parts of the world. China is also beginning to fund regional trade organizations as well; in 2011 it contributed $200 million to build a new headquarters for the African Union.\(^{67}\)

Table 1 shows a breakdown of projects and other types of support in the AidData system that are funded by donors and carried out by other IGOs.

**TABLE 1 ABOUT HERE**

Indicative of the imprecision of the data categories, the largest category is for uncategorized projects. We see, however, that most of the categorized projects have to do with health, social or peacekeeping initiatives. This database reports five categories of funding

\(^{63}\)Other data-collection options would be gathering project and funding data from every recipient, but the organizations themselves keep extremely poor records.

\(^{64}\)Jetschke and Lenz 2013; Boerzel and Risse 2009a; Lombaerde and Schulz 2009.

\(^{65}\)Baldwin 2007; Manger 2009.

\(^{66}\)Hattori 2007.

\(^{67}\)“African Union Faces Multiple Crises as Dlamini-Zuma Takes Over,” allAfrica.com, 20 July 2012
that directly relate to trade,\textsuperscript{68} totalling 48 projects at around $46 million — around $20 million less than program initiatives regarding HIV/AIDS that are channeled through these economic agreements. This indicates that many agreements might be taking on competencies that strayed far from their initial intent.

Table 2 shows a breakdown of organizations in the AidData system that are listed as having received funding, by the amount over the years as well as the number of projects.

\textbf{TABLE 2 ABOUT HERE}

It is worth noting that some trade organizations receive no outside funding per se. For example, the three members of NAFTA each cover the costs of day-to-day participation separately, with no central secretariat but rather small sections in the respective trade ministry of each country. Of those that do, however, the Organization of American States and the Andean Community are among the organizations that has received the most funding (around $4 million each). The Andean Community is particularly worth noting because its high levels of institutionalization and its dispute-settlement mechanism have caught the attention of scholars.\textsuperscript{69} In Africa, ECOWAS and the East African Community receive the majority of funding relative to other organizations in the region. Of course, the sheer fact of its receiving funding does not on its face indicate the levels of implementation in the agreement; it could be the case that donors fund the best or most effective organizations.

To examine preliminarily the relationships between funding and agreement design and implementation, I use data from Haftel 2012, who codes regional trade organizations in terms of both the design of their institutions as well as the implementation of that design. Scholars of institutional design often discuss the various features of international agreements in terms of their scope (typically thought of as the number and variety of issue areas covered by the agreement) as well as their institutionalization (the strength and autonomy

\textsuperscript{68} Multilateral trade negotiations; Trade facilitation; Regional trade agreements (RTAs); Trade policy and administrative management; Trade education/training
\textsuperscript{69} Alter, Helfer and Guerzovich 2009.
of their bureaucracy, as well as the presence of mechanisms such as supranational status, dispute-settlement mechanisms, or parliaments). Haftel codes agreements in terms of the broadness of their scope and the depth of their institutional commitments, on a scale of 1 to 23 for scope and 1 to 28 for institutionalization, with higher values indicating stronger de jure commitments. The mean values of designed scope and institutionalization across agreements are 13 and 16, respectively, with standard deviations of around 5 points for both. Haftel’s data are only coded in five-year increments, and thus the exact moments of organizational change are difficult to pinpoint; furthermore, Haftel’s data only tracks treaty revision, whereas many of the expansions in scope to include new issue areas take place without a formal renegotiation; thus, the changes in scope are actually more numerous than they appear in these data. However, as a preliminary look at the overall patterns among aid, design, and implementation, the figures below show the relationship between designed agreement variation and external funding (logged to normalize the distribution and to ease in visualization).

As expected, and in preliminary support of Hypothesis One, we see that higher levels of outside funding tend to be associated with higher designed levels of institutionalization. As evidenced in Figure 1, except for the Indian Ocean Council and the Bangkok Agreement (the latter of which has very little formal structure but is heavily funded by China), external funding tracks higher levels of institutionalization quite strongly. External funding also corresponds for the most part with changes in scope as well as changes in institutionalization, as shown in Figures 2 and 3 — although, as mentioned, Haftel’s dataset underreports the changes in scope that can arise as a function of adding new issue areas to support externally funded projects. And of course, these relationships do not indicate causality, merely association.

For ease of visualization, the unit of analysis is at the organization level.

The aggregate results also accord with the codings in Gray and Slapin 2012, which also measures effectiveness in international trade organizations through an expert survey. However, those data do not vary over time and cannot be used to examine changes in organizational architecture or the effectiveness.
We would additionally want to know whether lending was associated with not only changes in design, but also levels of implementation, as expressed in Hypothesis Two. Haftel 2012 codes implemented design and scope for each agreement, and the scores for implementation are systematically lower than those for design, indicating an “implementation gap” across the majority of agreements. Average levels for implemented scope and institutionalization are 7 and 10 respectively, with standard deviations of around 5. Most agreements’ implementation levels score five points below their design values. Hypothesis One indicated that initiatives that stemmed largely from donor priorities and not from the needs of member states would be less likely to be successfully implemented. Again, Haftel’s metrics cannot show the intentions behind a change in institutional design, but we can still gather associations between those changes and levels of external funding.

FIGURES 4 AND 5 ABOUT HERE

A handful of organizations in the bottom right quadrant of the graph — including ASEAN, the Southeast Asian Association for Regional Cooperation, and the Bangkok Agreement — receive high amounts of external funding and maintain a good record of implementation. But excluding these observations, we see that many organizations receive high levels of donor financing despite having a significant gap between their stated goals and the implementation of those objectives. The section below explores these dynamics in greater detail, positing that when organizations undertake scope and institutionalization features at the urging of donors, they are more likely to be infrequently implemented.

Figure 6 gives a sense of why this might be the case. It splits organizations into broadly effective and ineffective ones, based on the codings in Haftel (2012) and Gray and Slapin (2011). If an organization scores below the average in terms of its effectiveness, it is grouped as being ineffective. We see that ineffective organizations not only receive more grant projects than do effective ones. They also tend to be granted projects that do not have to do with trade cooperation. This suggests that external donors tend to
support expansions of scope into nontrade areas in ineffective organizations, and that those expansions might also be ineffective.

FIGURE 6 ABOUT HERE

3 Two Examples of Mandate Expansions, With and Without Donors

As mentioned previously, the above empirics do not decisively establish the direction of causality in the relationship between donor funding and agreement scope and institutionalization. The cases below, however, detail the process through which two different expansions of scope (adding a new security arm to an organization previously centered on trade promotion) and institutionalization (adding a court to a trade agreement) took place. In terms of courts, the case of SADC illustrates an example of an organization that was itself designed in part to attract and coordinate development aid, but when one donor initiative of institutionalization directly conflicted with member-state interest, it was actively dismantled.

In the security examples, ECOWAS initially broadened its scope to undertake peacekeeping initiatives that were in line with member-state interests. Those initiatives have subsequently been funded by external actors, but their original intent sprung from member-state needs and not program objectives. This indicates that implementation of organizational goals might interact with the original suitability of the goal in the first place, along with subsequent external support when internal funding is lacking. By contrast, in the case of ECCAS, Belgium funded and conceived of the entire security initiative, which has subsequently been widely criticised for ineffectiveness.

Table 3 shows in a two-by-two format the cases as they range in terms of both the type of institutional change (expansions in scope or increases in institutionalization) as well as the initial source of funding (member-state or external donor). The expectations for the dependent variable (implementation of the changes in scope and institutionalization) are
positive (+) in the case when the member state was the funding source, but negative (-) when the funding source is external.

TABLE 3 ABOUT HERE

3.1 Changes in Institutionalization: Courts

Many scholars have commented on the recent emergence of a wide variety of international courts.\textsuperscript{72} Debate persists in the literature as to whether the proliferation of such courts is a sign of increased cooperation,\textsuperscript{73} or a suboptimal proliferation of overlapping and potentially contradicting legal regimes.\textsuperscript{74} But normative implications aside, it is a fact that more and more courts have appeared as a feature international agreements — and they often strongly resemble the courts in better-established institutions, such as the EU, that also fund them. These examples tackle cases where courts were established both from member initiatives (in the Andean Community) and through an EU initiative (SADC).

3.1.1 The Andean Community’s Tribunal: Local Adaptation Without Donor Influence

The Andean Community, a proposed trade regime and customs union among Bolivia, Colombia, Chile, Ecuador, and Peru, was first established in 1969. The countries did not set up the court (the Andean Tribunal of Justice) until 10 years later, in 1979, and altering it by treaty in 1996 to include a supranational character to rulings.\textsuperscript{75} The Andean Community has been frequently lauded as one of the more successful international courts; even though it very rarely sees member-state cases having to do with trade, it often issues influential rulings on issues such as intellectual property.\textsuperscript{76}

\textsuperscript{72}Alter, Helfer and McAllister 2013.  
\textsuperscript{73}McCall Smith 2000; Burley and Mattli 1993.  
\textsuperscript{74}Busch 2007, Davis 2009, Raustiala 2013, Raustiala and Victor 2014, Meunier and Alter 2009  
\textsuperscript{75}McCall Smith 2000.  
\textsuperscript{76}Alter 2012.
one and indeed, many courts have modeled themselves on the ECJ’s charter, seeking to establish supranationality. Thus, it would be difficult to simply look at the court’s legal language and make inferences about how influential the EU was directly in terms of its establishment. This also points to the potential problem of endogeneity as well as intentionality if one simply looks at the presence of a court and tries to infer source and causality. However, scholars agree that the EU provided passive, not active influence in the development of the court. Scholars suggest that Andean Community bureaucrats imported the EU’s legal language into its own court while simply looking for legal models to emulate, not as a result of direct pressure from or financial linkages to the EU.78

This allowed for the Andean Community to adapt parts of its treaty to work quite differently from the EU in practice, even though it looks similar on paper. Although direct effect and a supranational character of rulings exist on the books, in practice it defers to national courts more often than not, except in the area of intellectual property.79 The Andean tribunal also allows member states to invoke escape mechanisms such as anti-dumping, countervailing duties, and safeguard instruments with respect to other members. These measures, although they depart from the ECJ’s provisions, are in place specifically “to manage the politics of intra-Andean trade, albeit structured by Andean regulations.”80 This contrasts with many other EU-funded courts set up in conjunction with regional trade organizations, which tend to cling to the EU’s language but not actually follow those measures in practice.81 Thus, the Andean tribunal differs from the ECJ in key respects that take into account local political realities.

Indeed, EU documents show that although the EU has given a substantial amount of funding to Latin American trade organizations and to the Andean Community specifically, it has never directed money specifically to the Tribunal. According to EU documents, the main Andean Community program areas for EU funding were disaster prevention,

77 For a detailed discussion of direct applicability and direct effect in the early decisions of the court, see Madrinan 1998 and Phelan 2013.
78 Alter 2012.
79 Alter and Helfer 2008
80 Phelan 2013.
81 Jo and Namgung 2012.
statistics, trade-related technical assistance, civil society, and synthetic drugs, with the General Secretariat being the primary target of funds. This stands in contrast to EU policy even to other integration organizations within Latin America; the EU gave money equally to Mercosur’s parliament, court, and secretariat, with the stated funding goal of “boosting institutional effectiveness.”\textsuperscript{82} That court looks more like the ECJ on paper but is very infrequently used, as states are unwilling to put their sovereignty in question.\textsuperscript{83}

Thus, the case of the Andean Community illustrates that when member-states initiate a change in the level of institutionalization, it is more effective. This holds true even if that change looks very similar on paper to another institution. Here, countries are able to emulate the EU but not import its model directly, without modification, and thus it has a better chance of being appropriate to the realities on the ground. To contrast, I now describe an EU-funded court that was not only generated but also funded by the EU and that had little success in the target countries.

3.1.2 The SADC Tribunal: Added by Donors, Overturned by Members

The South African Development Community was originally put into place in part to coordinate aid and to attract additional development funding,\textsuperscript{84} as well as to establish economic ties that excluded then-apartheid South Africa. But throughout that organization’s existence, it has relied heavily on donor financing.\textsuperscript{85} In SADC’s 2011 budget, for example, only $31 million was slated from member states; the remaining $52 million came from external donors.\textsuperscript{86} Furthermore, that official figure for member contributions fell far short of the realized totals: only eight of the organization’s 14 members actually paid their contributions, to a total sum of $5 million.\textsuperscript{87} Crucially for the illustration below, however, Zimbabwe is one of those countries that has over the years consistently paid its

\textsuperscript{82}“Regional strategy for Mercosur 2007-2013,” Eurlex, 29 May 2008
\textsuperscript{83}Lenz 2012.
\textsuperscript{84}Mandaza, Tostensen and Maphanyane 1994.
\textsuperscript{85}SADC Executive Secretary, “Talking Notes for the Post-Council of Ministers Diplomats Briefing,” February 2006
\textsuperscript{86}“Regional Integration Key - SADC Leaders,” The Herald (Harare), August 18, 2011
\textsuperscript{87}Ibid.
$1.8 million annual member dues, even despite several years of economic hardship and international sanctions.

SADC undertook several institutional reforms over the years, particularly encouraged by the EU, which was hoping to develop institutions in its former colonies that not only resembled the EU in structure, but also that would enable it to more easily conduct negotiations for its Economic Partnership Agreements, the proposed successors to the expiring colonial preference that had been granted under the GATT/WTO.\textsuperscript{88} According to a 2006 report by the Botswana Institute for Development Policy Analysis, “Foreign donors remain a crucial source of funding for SADC and its operations ... External development finance and foreign donor agencies have played a critical role in the evolution of SADC,” with the most prominent donors being the European Union, the Nordic countries, Finland, the UK, Germany and Switzerland.\textsuperscript{89}

Among those changes was the establishment of a tribunal, which was put into place in 2005 thanks to funding from the Commission. The Tribunal was intended for member-state disputes, but none was ever brought to the court. Individuals, however, could bring cases to the tribunal, and in 2007 the court’s second-ever ruling was cast in favor of a white farmer, in a case brought against the Zimbabwean government.\textsuperscript{90} After the land reform in Zimbabwe that nationalized property owned primarily by whites, the court ruled that the Zimbabwean government had discriminated against the plaintiff on the basis of race, as well as inadequately compensating for the land and denying proper access to domestic courts. The court further declared that the government’s actions had infringed on the rule of law as well as of human rights.\textsuperscript{91} After this ruling, 78 additional white farmers brought cases of their own to the court on the same grounds.

Zimbabwe immediately contested the initial ruling and declared it was not bound by the court’s jurisdiction, since it had not ratified the treaty establishing the tribunal.\textsuperscript{92}

\textsuperscript{88}Lenz 2012.
\textsuperscript{89}Tjonneland 2006.
\textsuperscript{90}“Zimbabwe: White Farmers Appeal to SADC,” \textit{Zimbabwe Independent} October 12, 2007
\textsuperscript{91}Hulse 2012.
\textsuperscript{92}“Southern Africa: Nation Wants SADC Tribunal Rulings Nullified,” \textit{All Africa}, 19 May 2011.
Meanwhile, the court continued to hear the additional cases, and after making similar rulings in three similar ones, SADC halted the hearings while an independent review of the legality of the court was conducted — a review that was itself funded by an external actor, Germany. After the report found that the Tribunal’s establishment was in keeping with legal principles, SADC suspended the tribunal — under pressure from Zimbabwe and with implicit consent from South Africa, which was not eager to have its own human-rights record open for investigation. Other heads of state agreed; Tanzanian President Jakaya Kikwete stated at a SADC summit discussing the tribunal, “We have created a monster that will devour us all.”

External funding was directly implicated in this discussions. “The European Union and other donors [funded] the SADC Tribunal. This is why [the SADC] Secretariat was eager to make the Tribunal stand. It was all to please someone,” Zimbabwe’s Justice Minister Patrick Chinamasa was quoted as saying. “In Swapokmund [Namibia, in a SADC meeting May 2011] we all agreed with the position but suddenly the [SADC] Executive Secretary said, ‘what will the European Union say?’ ... This has been the problem as in all meetings we have had on the SADC Tribunal: donors would be following and being in the corridors asking what we would have deliberated on.” The five judges were also widely disparaged as being coopted by funders, with one article charging that they had “found succour and funding from Germany.”

Although some appealed for the revival of the court, and the EU halted its funding of the tribunal until the body was reinstated according to its original tenents, the form of tribunal that many proscribed seemed not in keeping with international law. One paper called on any court to be “people-friendly and sealing any loopholes so that a new tribunal is not again amenable to infiltration and abuse by imperialists. SADC ... not in

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93 The review was conducted by WTI Advisors Ltd, an affiliate of the World Trade Institute, through a German Technical Cooperation Programme towards Governance Reform Effectiveness of SADC Structures.


95 Quoted in Christie 2011.

96 “SADC should put its money where its mouth is,” The Southern Times, 31 August 2012

97 “Regional Integration Key - SADC Leaders,” The Herald (Harare) August 18, 2011

98 “Help revive SADC court, EU told,” The Witness, 28 Sep 2012
[the] future hold out a begging bowl to proverbial ‘sleeping dogs,’ but dig deep into the regional organisation’s own coffers, however meagre these might be, as seed money for any regional institution the organization might wish to set up in future. At least none but themselves will claim ownership of that body and use it to fulfill the aspirations of the people of the region.”

This example illustrates the tension between the efficacy of donor projects and their legitimacy in the eyes of member states, particularly when those initiatives run counter to member-state interests. Zimbabwe, which continued to secure its influence in SADC by keeping abreast of its annual dues, particularly objected to the tribunal. It was clearly not in the interest of any of the other member states to override those objections, since they would have also been potentially compromised by such a court’s future rulings. Thus, this example is indicative of the origin of an institutional reform that was conceived as well as funded by donors — and this expansion subsequently proved illegitimate in the eyes of member states. The SADC case was rare in that it was actually disbanded, but other EU institutional initiatives have met quieter but similar fates; as mentioned above, the EU-funded Mercosur parliament went from meeting 10 times the year of its founding to not at all in the past two years. This indicates that institutional initiatives that are conceived and funded solely by donors will have little chance of being implemented.

4 Expansions of Scope, With and Without Donors: Security Institutions

External donors have also pumped money into regional security forces, and usually those are appended to preexisting structures, primarily organizations aimed at regional economic integration. This is particularly the case in Africa, where civil war and unrest

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99 “Zimbabwe: Solidarity Call As SADC Kangaroo is Killed,” Africa News. May 29, 2011
100 This issue area also touches on the subject of donor motivations. In the area of security, there was little Western funding for this in the 1990s due to a general normative disinclination to intervene in other states’ affairs, partially because of the post-Cold War optimism and also due to reactions against the US’s failed intervention in Somalia. In France, for example, in the 2000s, the government’s change in
have been a hallmark of the past several decades.

4.1 Donor support of Central African peacekeeping

Many African organizations that had been founded as a way of promoting import-substituting industrialization had stalled after their inception. This afforded them with infrastructures for many donors to channel their peacekeeping intentions through a preexisting regional brand. Indeed, as reflected in Table One, peacekeeping missions account for the majority of donor funding to trade organizations in terms of dollar amounts. Around 98 percent of the AU’s peace support operations, for example, were provided by donor assistance\textsuperscript{101} However, many of these donor-funded security initiatives that were tacked onto trade organizations — expansions in scope, since most of them did not have security as an initial part of their mandate — have met with severe difficulties.

In terms of the mechanisms delineated above, the difficulties are motivated by several factors. One is an inability of those organizations to effectively absorb the programs. With respect to a struggling peacekeeping force routed through SADC, primarily funded by Germany and the Scandinavian countries, “the fact that SADC has fewer than five staff in its secretariat working on security issues underlines the continuing lack of capacity within the organization” to carry out their donor-funded programs.\textsuperscript{102} Another is the concern of bias. UN peace-keeping efforts in the Congo that were routed through CEPGL, for example, suffered from a perception that international donors’ concerns were superceding local authority \textsuperscript{103} Although peacekeeping itself is a notoriously difficult process, the point is that the expansions of scope to the area of security in trade organizations remain unimplemented. Indeed, one expert writes that “African political and military leaders now clearly indicate that the emerging model of African intervention will depend on one African country (perhaps the regional hegemon) deciding to intervene and then creating personnel resulted in a comprehensive reform of France’s Africa policy, which led to increases in aid to regional organizations on that continent (Gounin 2009).

\textsuperscript{101}Engel and Porto 2008. 
\textsuperscript{102}Adebajo 2010. 
\textsuperscript{103}Autesserre 2009.
a coalition of other willing neighbors to complete the operation. International legitimacy will only be sought post-facto.”

The Economic Community of Central African States is another such example of inefficiencies. The organization never accomplished much after its founding in the early 1980s and was wholly inactive from 1992 to 1997, mainly due to internal conflicts. Its restart was initiated and entirely financed by Belgium and the EU, which had newly stated development goals of encouraging Central African cooperation. This included a peacekeeping mission attached to ECCAS. As one author put it, “Despite ECCAS’s revival in 1998, the member states continue to remain reluctant in implementing decisions and providing the necessary means and resources. Institutions and bodies on the supranational level are in return too weak to control, encourage, or even enforce the states’ contributions, or to prevent and solve bottlenecks and deadlocks.”

4.2 ECOWAS’s Peacekeeping Expansions of Scope: Initiated by Members

By contrast, this case illustrates the start of an initiative that expanded the initial scope of an economic agreement — an expansion that was subsequently supported by external funding. ECOWAS continues to receive a large portion of its budget from donors, largely for peacekeeping, election monitoring and human rights interventions. ECOWAS has revised its treaty significantly since its founding in 1975 and now has a broad scope of competencies and a high amount of institutionalization (in Haftel’s dataset, it scores among the highest in terms of design on both fronts). But those programs have consistently been funded by donors, due to ECOWAS’s “unendingly dire financial circumstances,” and UN peacekeeping forces tend to supplement the regional ones.

104 Herbst 2010.
105 The EU also committed 5 million euros from the EU to restart CEPGL.
106 Meyer 2014.
107 “ECOWAS Raises Funds for Guinea Bissau Elections,” BBC Monitoring, November 24, 2012
109 Bamfo 2013.
110 “EU, Sweden provide N17.9bn grant to ECOWAS, BBC Monitoring, April 9, 2013
ECOWAS was initially established as a trade agreement among 15 western African states, but due to factor similarities, it did not on its own produce much intraregional trade.111 But what started out as a purely economic agreement has turned into a far broader endeavor, with regional security cooperation as its primary function. This section investigates the origin of ECOWAS’s first expansion into regional peacekeeping, and argues that a prominent state in the group was the one responsible for that initial mandate enlargement. Although donors subsequently stepped in to fill the financing gaps, the initial expansion were conceived of and funded by the member states themselves, which had an impact on their effectiveness and their legitimacy.

The initial incident that prompted the development of peacekeeping in the region was the civil war in Liberia, following a coup in 1980 of Samuel Doe’s military regime and a subsequent incursion in 1989 from Charles Taylor’s National Patriotic Front of Liberia (NPFL). At the time, ECOWAS had no mandate at all for peacekeeping, aside from a 1978 Protocol for Nonagression.112 In fact, ECOWAS members Burkina Faso and the Ivory Coast had provided support for Taylor, including military training for his forces.

But the largest member of ECOWAS, Nigeria, was strongly in favor of intervention. Nigeria’s GDP is larger than that of all the other ECOWAS countries combined, and it contributes the majority of the annual ECOWAS budget (31%, with the Ivory Coast as the second-highest contributor at 12.6%).113 Nigeria’s then-President Ibrahim Babangida had a personal relationship with Doe, who had even named a road and a school in Liberia after him. Nigeria had also wanted to establish a role as a regional power in ECOWAS; additionally, Babangida decided that unilateral intervention would be politically unacceptable both domestically and abroad, and that “the legitimizing umbrella of ECOWAS” would be a more palatable way to intervene.114

In August 1990, ECOWAS dispatched a 3,000-man Military Observer Group (ECOMOG) to Liberia. The intervention was by most accounts underfunded, with Nigeria

111 Hanink and Owusu 1998.
112 “ECOWAS and the Subregional Peacekeeping in Liberia,” 28 Sept 1995
putting forward the majority of the soldiers as well as financing, at $12 billion. But the intervention did prevent Taylor from seizing Monrovia as well as settling the war through negotiations and elections. One report noted that member-state soldiers from Nigeria were the most active participants in the early stages of peacekeeping, including supplying the worse-funded troops, like those from Sierra Leone, with financing and supplies.\footnote{115}

Based on this initial success, ECOWAS’s peacekeeping efforts were subsequently supported almost entirely by external funding, with the UN and the EU contributing the majority. The external financing is somewhat controversial in the region. For example, one report writes “Another solution to the problem of meagre resources is to raise funds from outside the region. ... There is always the danger that the entire operation could be controlled by the outside powers that are paying for it. ... However, there does not seem to have been any choice.”\footnote{116} But peacekeeping proved to be the cornerstone for further expansion of ECOWAS’s mandate, and peacekeeping remains one of the more successful of the initiatives of all the African regional integration agreements\footnote{117} This expansion of scope was initially put forward and financed by Nigeria, which might have made a difference in terms of the legitimacy of the expansion for the member states as well as for subsequent implementation.

This example offers some insight as to the mechanisms behind agreement scope and implementation. When member-states initiate the changes, they might be more likely to be successful, since they arise directly from the needs of the countries in an organization. However, the duration of this effect is unclear, since donor funding may subsequently shift the scope expansions in a way that is not optimal for member states.

\footnote{115}“The Nigerians were the hard men of the Ecomog force. On checkpoint duty they were considered rude and arrogant, but when there was fighting to be done they were usually the ones who did it, even if they were not too fussy about the finer points of their peace-keeping mandate.” Quoted from “The perils of Liberian peacekeeping,” BBC 4 August, 2003.

\footnote{116}Ofuatey-Kodjoe 1994.

\footnote{117}Soderbaum 2005.
5 Conclusion and Continuing Research

The role of external actors in shaping the institutional structure of international organizations is an area that has been largely underexplored. Yet outside funding from the EU, the United States, the Scandinavian donors, Japan, and China, among others, has been a key source of financing, and possibly influence, in many of the IOs across the world. These actors often provide not only funding but also direct and indirect inspiration for the structure of the institutions, the language of treaties, and the shape of program activities. External funding is often specifically linked to the development of certain competencies or the emphasis of a certain type of institutional structure. Furthermore, when external funding is renewed without an emphasis on the performance of a given agreement, it may change the incentives of member states in terms of the administrative resources that they themselves spend on those organizations.

This phenomenon has been largely left out of most accounts of comparative institutional design and implementation. This paper attempts to fill this gap by making two key arguments. The first simply acknowledges that increases in donor funding are associated with expansions in scope and institutionalization. This goes contrary to the assumption that changes in IOs stem exclusively from bargains among member states. The second is that these expansions may be observable \textit{de jure} but tend not to be implemented \textit{de facto}. This can be due to perceptions of a lack of legitimacy of the initiatives, or to overall inefficiencies, when good money chases organizations that were inefficient in the first place.

The case of the South African Development Community’s court shows that when expanded institutionalization in the form of courts came at the behest of external donors collapsed due to the perceived illegitimacy of the endeavor. By contrast, the Andean Community’s court — conceived of and largely funded by member states — continues to thrive. Similarly, when expanded scope in the form of a peacekeeping mission came from a member-state initiative — Nigeria’s formation of a peacekeeping arm of the Economic Cooperation of West African States (ECOWAS) — the mission was largely successful.
When external donors tried to restart the failed Economic Community of Central African States (ECCAS) through establishing a peacekeeping mission, however, the initiative stagnated for the same reasons that ECCAS cooperation had been unsuccessful in the first place. This tests the predictions through comparing cases in both expanded scope and institutionalization when the move originated from both an external donor or a member state. These cases highlight two different mechanisms that underpin the failure of externally funded initiatives: problems of legitimacy as well as problems of efficiency.

This goes against the conventional understanding of the design of international agreements as bargains that are negotiated among member states advocating for their own interests. While this may be true at the initial stages of organization formation, over time, agreements that may for whatever reason not meet their initial purpose will endeavor to survive through other means.

This argument about institutional adaptation is particularly germane in the study of international organizations in the less-developed world. Many of the world’s oldest trade organizations, such as the Caribbean Community (CARICOM) and the Association of Southeast Asian Nations (ASEAN) were founded in the postcolonial era, at a time of optimism about the potential for regional as well as domestic markets to expand through import-substituting industrialization. Most of these organizations were founded with a secretariat, permanent staff, and operational budgets that hinged on the contribution of member states. But over time, with advances on the multilateral regime for trade on the one hand and persistent low growth on the other, many countries focused their economic attentions outside of their region. With the gains from trade holding more potential at the multilateral level than at the regional level, and with many countries in arrears of their budget obligations, many organizations faced the prospect of extinction or reorientation. As international donors expressed preferences to channel their funding through organizations already established on the ground, some organizations were able

\[118\] But see Johnson 2011 for an account of how international bureaucrats, not states, shape the design of IOs.

\[119\] Dietrich 2012.
to reorient to attract donor funding for specific projects or for building infrastructure. Future work should examine the motivations of organizations to seek donor funding in the first place.

Overlooking the role of these forces on the character and composition of regional agreements is detrimental to our understanding of how those agreements work. We risk misattributing, for example, a thick institutional design to a show of will and commitment on the part of member states, when in fact that design may be simply a function of some EU directive, where funding is conditional on the formation of a certain type of (EU-like) institution. This omission also overlooks the role of power politics in the shape of international cooperation today. Many describe the predominance of regional organizations as evidence of a globalized, multipolar, post-hegemonic world, in which myriad and discrete spheres of influence prevail over one central core. But if these organizations are bankrolled and shaped by a few dominant actors, the world does not look so different from the classic makeup of traditional power politics. Thus, any evaluation of IO performance\textsuperscript{120} should take external actors into account.

This has implications for the literature on international cooperation and institutional design more generally. Many tout regional organizations as potentially the more effective forms of international organization in a variety of issue areas, including development banks,\textsuperscript{121} democratization,\textsuperscript{122} and peacekeeping.\textsuperscript{123} Investigating the motivation for these organizations’ changes in design, and acknowledging the role of external financing in those changes, will complicate our expectations of the effectiveness of those agreements.

\textsuperscript{120}Gutner and Thompson 2010.  
\textsuperscript{121}Desai and Vreeland 2011.  
\textsuperscript{122}Pevehouse 2002; Donno 2010.  
\textsuperscript{123}Barnett N.d..
References


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Table 2: External Funding of REOs, by Donor
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<th>Organization</th>
<th>Value</th>
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<td>MRU</td>
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<td>LAIA</td>
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<td>AMU</td>
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Table 3: Variations in Funding and Implementation (+ or - ) of Expansion

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<th>Funding Source</th>
<th>Type of IO Change</th>
<th>Member-State</th>
<th>Expanded Scope</th>
<th>Greater Institutionalization</th>
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</thead>
<tbody>
<tr>
<td>External Donor</td>
<td>Central African peacekeeping (+)</td>
<td></td>
<td></td>
<td>SADC tribunal (-)</td>
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<tr>
<td>Member-State</td>
<td>ECOWAS</td>
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<td>Peacekeeping (+)</td>
<td>Andean Community Tribunal (+)</td>
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</table>

Expectations for positive (+) or negative (-) implementation in parentheses.

Figure 1: Institutionalization Associated with Funding

Figure 2: Changes in Institutionalization Associated with Funding
Figure 3: Changes in Scope Associated with Funding

Figure 4: Funding Does Not Improve Implementation of Institutionalization

Figure 5: Funding Does Not Improve Implementation of Scope
Figure 6: More Projects, Less Trade to Ineffective Organizations