

Filling the “decency gap”? Donors’ reaction to the US policy on international family planning aid

Nathalie Ferrière*

Abstract

The United States (US) are by far the largest donor of family planning (FP) and reproductive health aid. Since 1990, the US have represented about 54 percent of disbursements. As a primary funder of FP and HIV activities worldwide, the U.S. policy agenda and funding levels are highly influential in driving global sexual and reproductive health activities. This paper analyses how other donors adjust their own allocation of family planning aid in reaction to the allocation of the US. I employ an instrumental strategy using two sources of variations. First, I exploit exogenous time variation induced by US domestic debates on abortion between Democratic and Republican that are not related to international concerns or recipient-related considerations. Second, I exploit cross-sectional variation in a country’s vulnerability to these changes.

The baseline estimates suggest that, for recipient compliers, donors do not react significantly to the US allocation. Those results go against official claims from some donors calling for filling the decency gap. Compared to the existing literature, they also provide first evidence that donors may not necessarily react positively and significantly to the allocation of the lead donors.

Keywords: Family planning, Foreign Aid, Global Gag rule, Donors, Reproductive Health

JEL: C26, F35, I15, I18, J13, O15

*Sciences Po Aix and Aix Marseille Univ, CNRS, AMSE, Marseille, France 25 rue Gaston de Saporta, 13 625 Aix-en-Provence, France. E-mail: nathalie.ferriere@sciencespo-aix.fr.
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1 Introduction

Access to safe, voluntary family planning (FP) is a human right and one target of the Sustainable Development Goals (SDG 3.7).¹ Yet in developing regions, in 2020, an estimated 218 million women who want to avoid pregnancy are not using safe and effective family planning methods. The UNFPA advocates that it “threatens their ability to build a better future for themselves, their families, and their communities”. The importance of family planning has been emphasized in different international conferences (Cairo, 1994; London, 2012; Nairobi, 2019). Achieving universal access to sexual and reproductive healthcare services also sustains and advances progress towards achieving other targets of the SDGs. Family planning is central to gender equality and women’s empowerment (SDG 5), and it is a key factor in reducing poverty. One of the reasons for such large unmet needs is a lack of sufficient funding. Developing countries have limited domestic resources. Therefore, they rely on external sources, in particular, foreign aid. In 2018, according to FP2020, an international organization, international donors contributed an estimated 48 percent, domestic governments 35 percent and consumers 17 percent with large disparities across developing countries.²

Among donors, the United States (US) are by far the largest donor of family planning and reproductive health aid. Since 1990, the US have represented about 54 percent of disbursements. Over the same period, the second largest donor, the United Kingdom only provided 8% of family planning aid. As a primary funder of FP and HIV activities worldwide, the U.S. policy agenda and funding levels are highly influential in driving global sexual and reproductive health (SRH) activities. As the dominant donor, it is therefore more likely that their own allocation to particular countries affects aid flows from other donors.

Building on the literature on donor coordination and on the competitive use of development finance, my paper analyses how other donors adjust their allocation of family planning aid in reaction to the allocation of the US. This question is critical as the US foreign policy on family planning has undergone several important changes over the last 40 years inducing large variation on their family planning aid. Hence, the way donors interact with the US will

¹The UNFPA provides the following definition of family planning. Family planning is the information, means and methods that allow individuals to decide if and when to have children. This includes a wide range of contraceptives – including pills, implants, intrauterine devices, surgical procedures that limit fertility, and barrier methods such as condoms – as well as non-invasive methods such as the calendar method and abstinence. Family planning also includes information about how to become pregnant when it is desirable, as well as treatment of infertility.

²In 2017, donor contributions represented 10 percent of total family planning expenditure in Bangladesh, 41 percent in Myanmar and 61 percent in Kenya for instance. Source: <http://progress.familyplanning2020.org/finance>.

critically affect the possibility to limit family planning aid volatility for recipient countries.³

To identify whether and how other donors react to the US allocation of family planning, I employ an instrumental strategy using two sources of variations, following the empirical literature on aid (Nunn and Qian, 2014; Dreher et al., forthcoming). First, I exploit exogenous time variation induced by US domestic debates on abortion between Democratic and Republican that are not related to international concerns or recipient-related considerations. The US foreign policy on family planning has been driven over the last 40 years by the successive rescinding and restatement of the Global Gag Rule (also name the Mexico City Policy). The Global Gag rule was first enacted by President Reagan in 1984 during the international Population Conference in Mexico City. It directs US agencies including the USAID to withhold funds from non-US non-governmental organizations (NGOs) that provide abortion-related services. Since 1984, the policy has remained an important symbol of the Republican party and is only active during Republican Administrations. Second, I exploit cross-sectional variation in a country’s vulnerability to these changes, which is measured by the proportion of years a country receives family planning aid from the US when the Global Gag Rule is not active interacted with the share of family planning aid channelled by non-US NGOs.

The baseline estimates suggest that donors do not complement neither substitute the allocation of the US and thus do not compensate neither reinforce the detrimental effect of the Global Gag Rule in developing countries. Those results are not consistent with international calls done by donors to “fill the decency gap” after the reinstatement of the Global Gag Rule by Republican Presidents.⁴ Those results are also not consistent with the hypothesis of altruistic donors who would free-ride on the US allocation. Finally, it provides new evidence that donors reactions not only depend on the type of aid but also the identity of the donor. To better understand the mechanisms behind this absence of reaction, I provide several additional results. First I investigate bilateral reactions to investigate the possibility of a reallocation among donors. No donors fill the decency gap. Only Greece and New Zealand, two small donors react significantly to the US allocation. Second, I show that donors do not react differently to a rescinding and a reinstatement of the Global Gag Rule.

My findings contribute to several literatures. Those results complement the empirical literature on donor’s interaction providing first evidence of no herding behaviour to the dominant and traditional donor. Existing empirical literature on donors’ interactions tends to find

³It has been shown that for development aid, aid volatility tends to be growth-reducing in recipient countries (Arellano et al., 2009) or to induce internal conflict (Nielsen et al., 2011).

⁴If it was the case, we should observe substitution effects.

herding behaviours explain either by competition (Zeitz, 2020) or information and signal effect (Davies and Klasen, 2019) while the theoretical literature provide both rationale for substitution because of free-riding (Bourguignon and Platteau, 2015) or complementarity through competition (Annen and Moers, 2016). Second, it provides additional evidence that aid is not only determined by the strategic and economics needs of donors countries (Alesina and Dollar, 2000; Fuchs et al., 2015) but also by domestic politics and party ideologies (Tingley, 2010; Brech and Potrafke, 2014; Dreher et al., 2015; Greene and Licht, 2018). Third, it provides new evidence that statements on aid harmonization, donors cooperation and coordination should first look at how, at the sectoral level, aid from a given donor depends on the allocation decisions of other donors. Indeed, the way other donors interacts or do not interact affects dramatically the interest donors take in donor coordination, alignment and specialization (Mascarenhas and Sandler, 2006) and may explain the disappointing results from the 2005 Paris Declaration on aid fragmentation (Nunnenkamp et al., 2013).

The remainder of the paper is organized as follows. Section 2 presents in detail the history of the Global Gag rule, its implications for family planning programs, and how other donors publicly react to the US policy. Section 3 details the empirical strategy and data. Section 4 discusses the results and their implications and section 5 concludes.

2 Literature

If the general literature on aid allocation is large, the literature investigating how donors react to the allocation of other donors remains small but is increasing. The first wave of empirical literature introduces the allocation of other donors in the allocation equation but only as a control variable without dealing with endogeneity. For instance, Dudley and Montmarquette (1976) of Berthélemy (2006) control for the total amount of aid provided by other donors in their allocation equation and find positive coefficients. Other authors indirectly address the question of interactions between donors by comparing their allocation. Koch et al. (2009) show that NGOs are generally inclined to follow official donors. This effect is stronger for NGOs receiving official co-financing.

This question has really emerged with the problem of aid fragmentation, aid effectiveness, and donor coordination, first theoretically, next empirically. Bigsten and Tengstam (2015) document why donor cooperation is a key element of the international community to tackle the problem of low aid effectiveness. Indeed cooperation should decrease transaction costs. Bourguignon and Platteau (2015) state that the fight against poverty is a public good and

international aid a way to contribute to this problem. They develop a simple model with free-riding and political costs that impede cooperation among donors. It leads to trade-offs between the costs and benefits of cooperation for each donor. In the end, the equilibrium is not optimal. Annen and Moers (2016) develop a model where donors want to maximize their relative aid's impact rather than the absolute. In that sense, they underline the importance of having interactions between donors and explain how it can affect aid allocation and effectiveness. They also show that reactions should depend on the relative size of each donor.

Generally, the empirical literature finds herding effects starting with Frot and Santiso (2011). For instance, Davies and Klasen (2019) find that others' bilateral flows lead to a significant increase in aid flows from a particular donor, but primarily within a given year and that the effects are particularly pronounced for large donors.

One reason for herding behaviour is competition. Fuchs et al. (2015) show that export competition between donors is a major impediment to aid coordination and leads to similar aid allocation. In a recent working paper on humanitarian aid, Fuchs and Siewers (2021) also find that trade competition may affect the speed of humanitarian aid allocation by different donors. Barthel et al. (2014) also provide evidence that donors react to aid giving by other donors because of trade competition but only for the largest donors. On the contrary, for more altruistic donors and for aid in the social sector they do not find evidence of export competition. Mascarenhas and Sandler (2006) test different models of competition between donors. They uncovered no evidence of cooperative behaviour among donors. Donors view giving by others largely as complementary. Another reason for herding is coordination through joint intervention rather than division of labour. On food aid allocation, through the analysis of the correlation of error terms, Kuhlitz et al. (2010) describe strong positive interaction they interpret as evidence of donor coordination. Carbone (2017) analyses the EU Joint Programming Initiative on the policies programs in development from the EU members. EU membership does affect the development policies of the member states, in some cases more than in others, and not necessarily only through social learning and socialization, but also as a result of strategic calculations. A third explanation is a signal effect. Galiani et al. (2017) documents donors' reactions after a country exceeds the IDA income threshold. On average DAC donors tend to lower their aid after, except Germany.

The identity of the donor tends to matter to better understand the reaction of other donors.

Focusing on the role of World Bank, (Steinwand and Reinsberg, 2020) find that bilateral donors allocate projects in a complementary fashion into the same sectors. Moreover, World Bank and bilateral project numbers move together. ? show that donors speed up their pledges after the lead donor provides emergency aid. Focusing on food aid, Ferrière (2021) shows that the reaction to the EU allocation depends on the relative donor size. Larger donors such as the US do not react to the EU allocation while donor with equivalent budget size reacts positively to the EU allocation. Humphrey and Michaelowa (2019) provide evidence that traditional development finance does not react to the allocation of Chinese aid in Africa. Only in more developed non-concessional countries, they find reactions from the World Bank and the MDBs. Kilby (2005) investigate the exogeneity of non-World Bank aid in the World Bank allocation and the opposite. He rejects the hypothesis that non-World Bank aid is affected by other donors but cannot reject the fact that the World Bank acts more as a leader than a follower in determining the global allocation of aid.

The literature on individual charitable giving is also interesting to understand why donors may react differently to different donors. Andreoni (2006) highlights the importance of leadership gifts - large donation made by one single person - because it provides a legitimization effect. The leader is sending a signal about the recipient of the gift which later givers will follow. The credibility of the signal depends on the size of the gift.

Applied to international family planning aid, we may expect such legitimacy effect to matter for relatively small donors, especially when the US is the one funding one of the best surveys on Demographic and Health outcomes. This argument of lead donors was also developed by (Steinwand, 2015) to analyse aid fragmentation. He investigates the problem of coordination and competition among donors depending on the presence of a lead donor. Finally, Andreoni (1990) underlines the role of social pressure on giving. This aspect could be relevant in the case of institutional donors where diplomatic position can affect the decision of other donors.footnoteFor instance, the French government publicly announced in April 2021 that they hope that the French giving to Covax would create a snowball effect on giving. In our context of family planning aid, some European countries call to “fill the decency gap” after the rescinding of the Global Gag Rule and its extension by President Trump in 2017.

3 Context

3.1 History of the Global Gag Rule

This section draws upon Blanchfield (2020) to describe the main evolution on abortion and family planning-related provision in US foreign assistance policy.

In 1961, the Foreign Assistance Act specified that the US should assist developing countries for the control of population growth. Family planning was part of the types of activities USAID could pursue. Starting in the mid-1960, the budget for population activities was multiplied by 10 relative to the beginning of 1960. At that time, voluntary family planning was perceived as a way to “improve health, family stability, greater individual opportunity, economic development.” USAID’s strategy for delivering family planning relied mainly on private organizations, especially NGOs, in particular in countries with no bilateral assistance programs.⁵ During the 1970s, the USAID budget devoted to population programs increased. Since that time, the US has been consistently one of the largest donors of international population assistance worldwide. In 1973, 47% of its funds were spent on contraceptives and delivery of family planning service (Fox, 1985). The only change resulted from the adoption of the Helms amendment in 1973 that prohibited the use of US foreign assistance funds to perform abortions or to motivate or coerce individuals to practice abortions. However, organizations who received US funds may still perform abortion using other funds (private or provided by other donors). In 1981 the Siljander Amendment specified that no US funds may be used to lobby for or against abortion, but non US funds can be used to lobby for abortions by organizations receiving US funds. The US only required to maintain separate accounts for US money in order to demonstrate compliance with US abortion restrictions.

The most important change in family planning assistance policy from the US occurred during the UN Population Conference in August 1984 with the adoption of the Global Gag Rule, also called Mexico City policy (hereinafter GGR or MCP). President Reagan issued an executive order restricting family planning funding (The White House Office of Policy Development, 1984).

The United States does not consider abortion an acceptable element of family planning programs and will no longer contribute to those of which it is a part.
[...] The United States will no longer contribute to separate non-governmental

⁵More than other components of population programs, family planning service projects draw upon the private sector (United States Congress House, 1986).

organizations which perform or actively promote abortion as a method of family planning in other nations.

The US announced that it would no longer provide funds to international family planning organizations engaging in abortion activities with any funds. Hence, it required that recipients of US funds cease all abortion activities – abortion, promotion of abortion, or lobbying for a change in abortion legislation – even if such activities are conducted with non-US funds. The GGR makes no distinctions for countries where abortion is legal. The policy only applied to foreign NGOs (after two Appeals courts in 1988 and 1989) and funds provided by USAID.⁶ The policy required foreign NGOs receiving US family planning aid to certify in writing that they did not, and would not during the time of the funding agreement, perform or actively promote abortion as a method of family planning. US NGOs receiving US grants cannot also finance through a sub-grant a foreign NGO who perform or promote abortion. However, NGOs that receive USAID funds through a sub-grant of a foreign host government are exempt.

This policy was not retroactive; hence, the full impacts could be delayed by some years. Nevertheless given the complexity of the legislation, a chilling effect occurred.⁷ “Immediately after the Mexico City Policy was implemented, many foreign NGOs began to distance themselves from any abortion activity for fear they may lose funding from USAID.” (Camp, 1987) Due to translation and interpretation difficulties, many foreign NGOs have halted all abortion related activities, even those the Global Gag Rule allows (Aguilar, 2002). In 1985, an additional amendment prohibited allocating funds to countries with a coercive family planning policy. The main consequence was that the US stopped contribution to UNFPA.

Until the election of Bill Clinton, the GGR was active. In January 22, 1993, the newly elected president rescinded the GGR.

These excessively broad anti-abortion conditions are unwarranted. I am informed that the conditions are not mandated by the Foreign Assistance Act or any other law. Moreover, they have undermined efforts to promote safe and efficacious family planning programs in foreign nations. Accordingly, I hereby direct that

⁶A foreign non-governmental organization is a for-profit or not-for-profit non-governmental organization that is not organized under the laws of the United States, any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

⁷For instance foreign NGOs that receive funding for non-family planning services are not subject to the Standard Clause of the Global Gag Rule, even though they may be providing family planning services. Both the CRLP and the PAI interpret this to mean foreign NGOs receiving USAID funds for HIV/AIDS, child survival, and health assistance are exempt from the restrictions (Aguilar, 2002).

AID remove the conditions not explicitly mandated by the Foreign Assistance Act or any other law from all current AID grants to NGO's and exclude them from future grants. Bill Clinton (1993)

Foreign NGOs may again receive funds from USAID for family planning projects and use non-US funds to perform or promote abortion. The GGR began a clear distinction between Democratic and Republican parties. In 1995, the Congress became Republican. Large debates occurred on the reinstatement of the GGR. During nine months, family planning funds were blocked. Funds were allocated over 15 months, with a maximum of 6.67% per month during the 1996 fiscal year. The remaining funds were reallocated to maternal and child health assistance. The GGR was reinstated legislatively for one year from October 1999 to September 2000. The temporary, one-year legislative imposition of the policy occurred as part of a broader deal related to paying the U.S. debt to the United Nations. This legislation restricted eligibility for USAID funding to foreign NGOs agreeing to three certification restrictions that were slightly more limited than the certification requirements instituted under President Reagan. The legislation included an option for the president to waive these restrictions; however, if he exercised the waiver option (for no more than \$15 million in family planning assistance), then \$12.5 million of this funding would be transferred to maternal and child health assistance. The president did exercise the waiver option.

Next, the policy was reinstated by George W. Bush (2001). In 2003, restrictions were expanded to State Department funds but at the same time, President Bush launched the President's Emergency Plan For AIDS Relief (PEPFAR) to address the AIDS/HIV pandemic focusing on 15 countries mostly in Sub-Saharan Africa. It was rescinded by Barack Obama (2009) and next reinstated by Donald Trump (2017). The Trump version was an extended version to the vast majority of U.S. bilateral global health assistance, including funding for HIV under PEPFAR, maternal and child health, malaria, nutrition, and other programs. In 2021, the new President Joe Biden rescinded again the Global Gag rule. "The move will free up at least \$7.3 billion in U.S. global health funding, making foreign NGOs and partners again eligible for U.S. global health assistance"⁸ However voices raised to discuss why and how the previous presidency may have lasting effects on family planning policies over the world. For instance, some NGOs are considering the benefits of partnering with the US government if they cannot be relied on.

⁸<https://www.devex.com/news/biden-repeals-the-global-gag-rule-but-next-steps-will-be-huge-undertakin>

The implementation of the GGR may not necessarily affect US family planning aid and more general family planning expenses in developing countries for three main reasons. First, the GGR does not prohibit funding to the recipient government, to anti-abortion NGOs. Hence aid could be reallocated through other implementing channels. Second, given the importance of the US in funding family planning assistance, a lot of NGOs may prefer to agree with the GGR and adjust their projects rather than to decline to agree to the terms of the policy.⁹ Third even if the GGR results in a decreased in US family planning aid, the other donors could make up the difference, “fill the decency gap”.

3.2 Impact on US family planning funding

The repercussions of the GGR have been documented quickly after its first adoption. Camp (1987) provided a first qualitative analysis of the impact of the GGR. In 1987, despite a small number of large organizations affected – due mainly to the fact that the policy did not apply to ongoing grants but only on new grants – the GGR negatively impacted organizations and family planning activities. The author observed a large chilling effect leading to a pattern of avoidance of particular countries or types of sub-grantees. She also observed a pattern of avoidance between some family planning providers and organizations providing abortion or abortion advocacy. As a consequence, the isolation of abortion providers from other family planning providers reduces the quantity and quality of post-abortion contraceptive counselling and services. In addition, historical partners of USAID were organizations having long-standing experience in family planning. These organizations tend to refuse the new restrictions. Hence, in some countries, such organizations gradually disappeared. It will reduce the effectiveness of family planning programs as well as their sensitivity to the needs of women in developing countries. For complying organizations, it induced growth of administrative burdens and monitoring costs.

Population Action International documented the effect of the reinstatement of the policy by President Bush. By 2002, the Global Gag Rule had ended shipments of USAID-donated contraceptives to 16 developing countries. Leading family planning agencies in another 13 countries are unable to receive USAID contraceptives because they refused to abide by the restrictions (PAI, 2005). In Kenya, for instance, it led to the close of important clinics. It laid off large numbers of staff and scaled back programs. In most cases, those shuttered clinics constituted the only source of health care for local communities. Also, due to the loss

⁹A March 2020 report by the Government Accountability Office (GAO) found that among all projects planned in 2018, only 4% declined the funding because the NGOs did not accept the policy, resulting in 2% decrease in planned US fundings.

of funds, senior staff members are leaving large family planning organizations to find better jobs elsewhere. New staff members have to be hired and trained in sexual and reproductive health, but there is little money to do this. Thus, the capacity and expertise of NGOs are continuously being eroded (PAI, 2006).

Nevertheless, one could argue that the US only decided to change how to channel family planning aid and to focus only on governmental channels or that a majority of foreign NGOs agree to the terms of policy. However data from the Institute for Health Metrics and Evaluation (IHME, 2020), as well as from Creditor Reporting System (OECD, 2020), provide evidence of a decrease in family planning aid during Republican constituencies (see figures 1 and 2).¹⁰ The most obvious effect of the Global Gag Rule occurred just after the election of G.W. Bush in 2000. Indeed, between 2001 and 2004 we observe a very sharp decrease in family planning aid. Starting 2005, aid for family planning increased again. It was mostly due to the creation of the President's Emergency Plan for AIDS Relief (PEPFAR) in 2003. This fund focuses mostly on HIV/AIDS fighting but part of its action is thus devoted to family planning activities. Starting 2017, again US funding to family planning and more generally reproductive health decreased. In 2017, Trump Administration extended the GGR to PEPFAR activities. In line with this extension, the decrease is more pronounced than for family planning aid.¹¹

During the Obama administration, commitments and disbursements remained stable and larger than during the previous constituency. During the Clinton Administration (for which only the IHME database is reliable) the pattern is less clear. Until 1995, there is no reverse in decreasing trends. However starting in 1996, we observe a large increase in family planning funding. Hence the policy change reflects more in actual funding during the Bush

¹⁰The IHME database provides estimates of health spending from four main sources - government, out-of-pocket- prepaid private, and Development Assistance Health (DAH) - for 195 countries from 1990 through 2019. They defined DAH as the financial and in-kind contributions from major development agencies to low- and middle-income countries to maintain or improve population health. They relied on annual reports, budget documents, and project disbursement records reported by different international development agencies like OECD-CRS, the World Bank, the Global Fund, and major philanthropic entities. They also tracked the agencies responsible for disbursing the funds. Aid is allocated to family planning if the project description contained at least one of those word : fertility, family planning, FP, birth control, family size, IPPF, planned parenthood, abortion, birth spacing, condom, IUD, vasectomy or tubular ligation. For additional details on database construction and allocation to each sector, the IHME provides an annual review and an online appendix (<http://www.healthdata.org/policy-report/financing-global-health-2019-tracking-health-spending-time-crisis>).

¹¹Figures 11 and 12 in appendix A show that the decrease is not driven by a decrease in total US development aid. Indeed, even when we look at the share of US aid devoted to family planning projects, the pattern observed on amounts remains similar. The pattern is more pronounced for commitments than for disbursements.

Administration and the Obama one than during the Clinton Administration.¹²

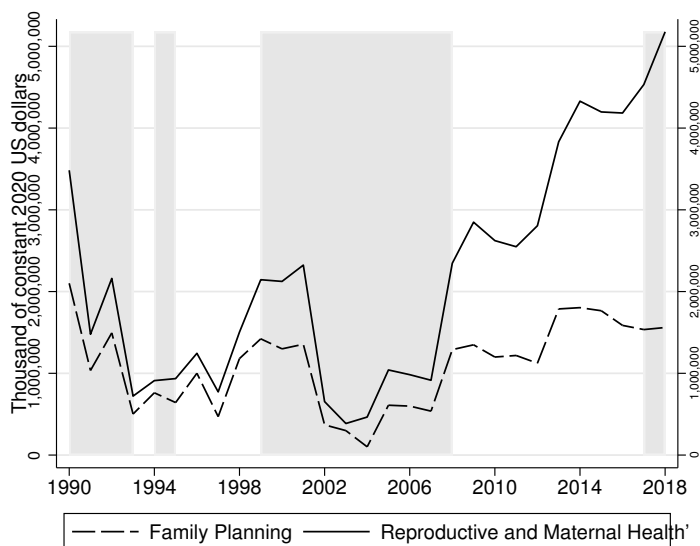


Figure 1: US aid disbursement on family planning and reproductive health (1990-2018) - IHME data)

Note: Reproductive health (left axis) includes family planning (right axis), other health system strengthening, human resources, other maternal health. Grey period corresponds to years when the Global Gag Rule is active.

I next investigate the determinants of US family planning aid by running a regression including a dummy equal to one when the Global Gag Rule is active. Table 1 provides the results. As expected, the US allocates less family planning aid when the GGR is active. However aid is also partly driven by needs related to reproductive and sexual activities. Indeed the higher the prevalence of HIV is, the larger the amount of US aid is. We also see a non linear relationship between fertility rate and US aid allocation.

Even if some funds remain available, the Global Gag Rule also induces large uncertainty. A literature review on the impact of the GGR on global health conducted by Mavodza et al. (2019) points out the importance of the misunderstanding, the miscommunication, and the chilling effect of the policy. Using qualitative sources of information, they show a large loss of US funding and potential impacts on HIV and AIDS programs and advocacy.

Murshid and Haque (2020) document the impacts of the Global Gag Rule after 2017 in Uganda and show how it, mostly in the short run, deters staff structures in high exposed districts rather than access to contraceptives for the population. They argue that it may

¹²One explanation is the fierce opposition from the House of Representative Clinton Administration faced during Clinton mandates For instance in FY1994 and FY1999, the House of Representative succeeded to limits funds to family planning activities. Also the reliability of data is higher in the 2000s than in the 1990s.

	Dep. Var: ln(US Family planning aid)				
Global Gag Rule is active	-1.286*** (0.103)	-1.165*** (0.0964)	-1.140*** (0.0961)	-1.139*** (0.0966)	-1.145*** (0.0973)
ln(GDP per capita) _{rt-1}		0.373 (0.378)	0.0131 (0.395)	0.130 (0.353)	0.122 (0.357)
ln(Population) _{rt-1}		3.053*** (0.622)	1.862** (0.833)	-0.791 (1.049)	-0.871 (1.048)
Democratic Index _{rt-1}			0.0153 (0.0322)	-0.00194 (0.0298)	-0.00641 (0.0303)
Female life expectancy _{rt-1}			0.0725** (0.0360)	0.0632* (0.0351)	0.0682* (0.0354)
Poverty ratio _{rt-1}			-0.00454 (0.0120)	-0.00197 (0.0114)	-0.00148 (0.0116)
HIV incidence (15-49) _{rt-1}				0.00511 (0.0152)	0.00429 (0.0147)
HIV prevalence (15-49) _{rt-1}				0.133*** (0.0484)	0.138*** (0.0491)
Fertility rate _{rt-1}				1.434** (0.668)	1.440** (0.664)
Fertility rate _{rt-1} ²				-0.211** (0.0845)	-0.209** (0.0840)
Adolescent fertility rate _{rt-1}				-0.00464 (0.0126)	-0.00437 (0.0127)
Maternal mortality rate _{rt-1}				-0.00156 (0.00120)	-0.00147 (0.00118)
UN vote similarity _{drt-1}					-0.426* (0.255)
Obs.	2940	2940	2940	2940	2940
Recipient	105	105	105	105	105

Notes: One observation is a recipient and a year. A hyperbolic sine transformation is applied to US FP aid. Coefficients are reported with standard errors clustered at the recipient level. Aid data come from IHME database.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 1: Determinants of US family planning aid allocation

have lasting negative effects on women. In other contexts Ravaoarisoa et al. (2020) and Ushie et al. (2020) also provide evidence that the Global Gag Rule enforced by President Trump in 2017 of decreased access to contraceptives and increased out-of-pocket expenditure to obtain contraceptives resulting in discontinuation of contraceptive use, unintended pregnancies, and unsafe abortions.

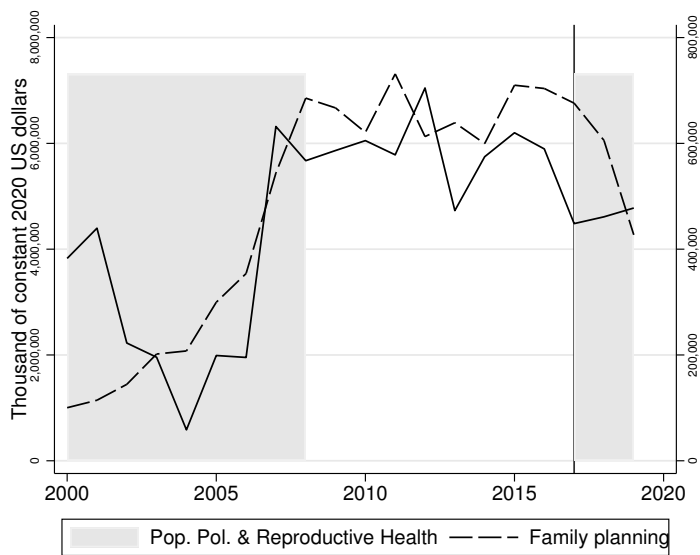


Figure 2: US aid commitments on family planning and reproductive health (2000-2019) - CRS data)

Note: Family planning refers to purpose code 13030 in CRS data; reproductive health refers to sector code 130. It includes family planning, Personnel development for population & reproductive health, population policy and administrative management, Reproductive health care and STD control including HIV/AIDS. Grey period corresponds to years when the Global Gag Rule is active.

3.3 Qualitative evidence on donors' reactions to the GGR

The documentation on how other donors react to the Global Gag Rule is scarce for the first period (1984) but larger for the two following reinstatement (2001 and 2017). With the reinstatement of the policy in 2001, some donors tried to step up. Nevertheless, according to a report from the European Parliamentary Assembly, they were not able to bridge the entire gap. The report stresses the leading role of Nordic European countries, Germany and the Netherlands. Poul Nielson, the European Union Commissioner for Humanitarian and Development Aid, summarised the spirit of European donors' reaction to the reinstatement by the Bush administration of the Global Gag Rule in his phrase that Europe should fill the "decency gap" (Assembly, C.E.P., 2004). The report also underlined the fact that the UNFPA also experienced an increase in European donor funding in 2002 in reaction to the decrease from the US. The report concluded that "the continuing challenge is, however, to build on this goodwill and not just to sustain but to continue to increase this support".

However, some NGOs also described some negative impacts on international assistance provided by other donors. Indeed some non-US NGOs may be deterred from undertaking programs to provide legal abortion services or to lobby their governments to make legal abortions safer (programs that would have been sponsored by other donors) so that the NGOs do not jeopardize their USAID family planning funding. In addition, US-NGOs that receive USAID funding for international family planning and work with foreign NGOs may face a stigma from other donors for such programs, as those donors may resist having their grants subjected, in effect, to the Global Gag Rule.

The extension of the Global Gag rule in 2017 leads to large reactions from other donors. The European Commission explicitly states that it will "remain alert on this issue and if it finds that there is a funding gap, it will look into possibilities for stepping-up the assistance to health and gender-based violence projects provided that sufficient funding is available" (European Commission, 2017). Sweden decides to stop providing support to reproductive and sexual health programs run by groups that comply with the rule (Reuters, 2017). The Netherlands decides to create a new fund to replace the money that the gag rule would cost family planning organizations. Twenty countries immediately expressed an interest in contributing to the fund, called She Decides. During the first conference of the fund, they raise around \$600 million (close to the USAID family planning budget). Nevertheless, some practitioners note that "public sector donors, especially some major European countries, are notoriously prone to overpromising and underdelivering" (World Politics Review, 2017).

Hence the net impact of the Global Gag Rule on the allocation of other donors is unclear. Some donors, due to a “decency gap”, may announce an increase in their aid budget. However, first, there is a potential gap between promises and delivery. In addition, the behavior of some NGOs may also indirectly affect their allocation because there is a new trade-off between US aid - larger amounts - and other donors’ aid - no restriction on their action.

Finally, documentation on how other donors react to the rescinding of the Global Gag Rule is almost null. However, it could be the case that donors do not react in the same way to a decrease in family planning aid because of the “decency gap” effects and to an increase. Indeed the media coverage is often lower when the US rescinds the policy. In addition, donors who decided to substitute to the US developed a partnership with NGOs and implemented new programs inducing some fixed costs. Hence their likelihood to stop funding projects could be lower. Finally, donors may want to publicize the fact they substitute the US after their withdraw but to hide the fact they also substitute the US when the US provides again funding. It means that we should distinguish reactions to on/off policy.

Figure 3 plots the total amount of family planning aid allocated by other donors from 1990 to 2017. I observe a decreasing trend during the Bush Administration and a reverse trend starting the Obama Administration. Figure 4 plots the total amount of family planning for low and high-exposed recipient countries to the GGR in terms of probability of receiving US aid. The pattern observed for US disbursement is also observed but only for high exposed recipients. It is less clear for exposure to NGO channeled (figure 5), that could be due to the fact that other donors do know general US allocation but not necessary how the US precisely channelled their family planning aid.

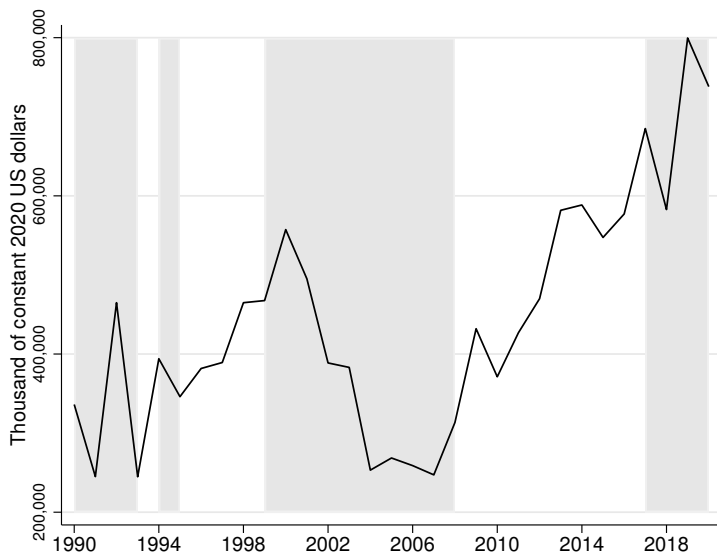


Figure 3: Other donors' aid disbursement on family planning (1990-2018) - IHME dat)
 Note: Grey period corresponds to years when the Global Gag Rule is active.

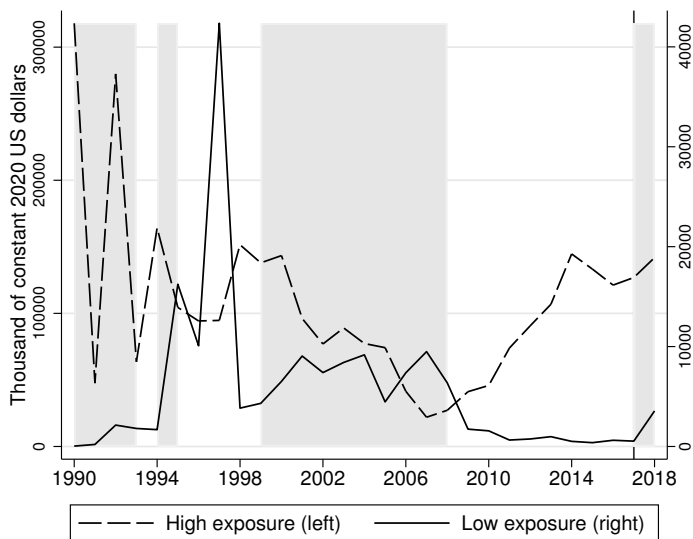


Figure 4: Other donors' FP aid disbursement: high and low-exposed recipients
 Note: A high-exposed recipient is a recipient whose probability of receiving FP aid when the Global Gag Rule is inactive is above the median sample (0.52).

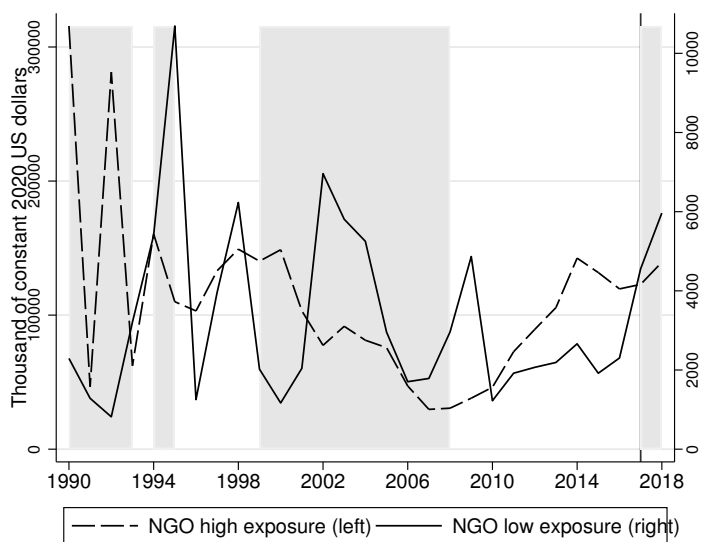


Figure 5: Other donors' FP aid disbursement: NGO high and low-exposed recipients
 Note: A NGO high-exposed recipient is a recipient for whom the share of FP aid channelled by non-US NGOs during Obama administration is above the median sample (0.5).

4 Empirical Strategy

4.1 Specification and data

Building on the descriptive statistics and history of the Global Gag Rule, I now analyse the causal effects of US family planning aid on the allocation of other donors. I estimate the following regression equation for all recipients that receive at least once between 1990 and 2017 US aid :

$$FPA_{drt} = \beta_1 FPA_{USrt-1} + \beta_2 X_{drt-1} + \beta_3 X_{rt-1} + \eta_{dt} + \lambda_{dr} + \lambda_{reg,t} + \epsilon_{drt} \quad (1)$$

where FPA_{drt} is the allocation of family planning aid from donor d to recipient r in year t . FPA_{USrt-1} is the US allocation of family planning aid to recipient r in year $t - 1$. X_{rt-1} represents recipient characteristics affecting family planning allocation. X_{drt-1} represents donor-recipient characteristics that affect aid allocation. The control variables are drawn from the existing body of literature and are described below. η_{dt} and λ_{dr} represent donor-year- and donor-recipient fixed effects. $\lambda_{reg,t}$ represents region-year fixed effects. It flexibly control for all region-specific changes over time and therefore account for any global or even region-specific changes in demography that could affect allocation. Standard errors are clustered at the recipient and donor level.

The data from IHME database is a panel of 24 donors (excluding the US) and 94 recipients, running from 1993 to 2019, with the time period driven by the availability of family planning aid data.¹³ It includes all recipients and donors who receive or give at least one year family planning aid. This baseline specification is modified in several ways in order to explore the robustness of the findings. I also test the robustness of the findings by using another database for aid. The specifics of these modifications are described below.

The dependent variable FPA_{drt} is the log of bilateral disbursed family planning aid from donor d to country r at time t . To deal with values reported equal to zero, I apply the sine hyperbolic transformation. Aid is measured in thousand of constant 2020 US dollars. IHME database disaggregated reproductive and maternal health by family planning, other maternal health, human resources. . . I use the most restrictive definition of family planning aid. However, the Global Gag Rule is less clear on what exactly is targeted by the policy and thus more general reproductive health programs and population policy programs could also be affected by the policy. Hence I also look at all aid tagged as reproductive and

¹³The list of donors and recipients is provided in the appendix. Data start in 1990 but are not fully recorded in 1990 for some donors.

maternal health in the robustness analysis. FPA_{USrt-1} is the log of bilateral disbursed family planning aid from the US to country r at time $t - 1$, with the same sine hyperbolic transformation. I expect that donors need some time to adjust to the actual disbursement of a donor. For instance, after the reinstatement in January 2017, the international summit “She Decides” was launched in April but obtained funds until October 2017 and funded new projects often starting in 2018. More generally, analysis on the time between commitments and disbursements show that disbursements occurred at least 12 months later commitments for more than 50% of projects.

For the recipient country, I include GDP per capita $_{rt-1}$ and population $_{rt-1}$ (in log) to control for wealth and size. Following Asiedu et al. (2013) who investigate the determinants of family planning aid, I control for female fertility rate and its square as one objective of family planning aid is to reduce fertility rate. I also include the adolescent fertility rate because some donors may focus more on reducing early pregnancies. The UNFPA advocates that family planning could reduce poverty, the spread of HIV/AIDS disease, and maternal mortality. Hence I also control for poverty rate, female life expectancy, the incidence of HIV in 15-49 population age, the prevalence of HIV on the same population, and maternal mortality rate. These data come from the World Development Indicators.¹⁴

In addition to these variables, as aid allocation tends to depend on the recipient’s political situation (Burnside and Dollar, 2000), I include a democracy index (Polity IV database). Finally, to measure political ties, I include the voting alignment between donor and recipient at the UN General Assembly, a widely used indicator. It is measured as the absolute difference of their ideal points, calculated by Bailey et al. (2017).

I allow time effects to differ across donors with donor-year fixed-effects, η_{dt} : it accounts for donor-specific trends in family planning aid budget or for electoral cycles that can affect the allocation of aid (Tingley, 2010). λ_{dr} is the donor-recipient pair fixed effects that catch time-invariant specificity such as colonial links, distance, or sharing a common language.

The coefficient of interest, β_1 , is the estimated effect of the FP allocation by the US in country r one year before on the FP allocation of donor d in country r . A positive coefficient indicates that, on average, if the US increases its family planning aid to a specific country r , it increases the amount of family planning aid from donor d to the recipient country in the following year. By contrast, a negative coefficient suggests that other donors compensate and step in. A non-significant estimate indicates that I cannot reject the hypothesis that on

¹⁴For maternal mortality rate and poverty rate, data before 2001 come from the official MDG Indicators website. Linear extrapolation is performed for missing years.

average, other donors do not react to the US allocation.

FPA_{USrt} is endogenous. First, donors may react to shocks for which I do not have reliable data or I do not observe at all. For instance, in 1994, the Cairo International Conference on Population and Development emphasized the integral linkages between population and development and focused on meeting the needs of individual women and men, rather than on achieving demographic targets. As a consequence, “family-planning promotion has dropped steadily down the list of international development priorities” according to Cleland et al. (2006). I cannot also control carefully for all changes in recipient policies regarding population controls, abortion, or reproductive health that should affect donor’s allocation either to support these policies or on the contrary to withdraw their support. Depending on the reactions, the OLS will be down- or upward-biased.

Second, there is a problem of reverse causality. One could argue that using the previous allocation by the EU (FPA_{USrt-1}) solves the problem of endogeneity. However FPA_{USrt-1} could be still endogenous in case of “dynamics among the unobservables” as pointed by Bellemare et al. (2017), meaning that if FPA_{USrt-1} is correlated with the error term ϵ_{drt-1} and that shocks are auto-correlated, FPA_{USrt-1} is still correlated with ϵ_{drt} .

4.2 IV strategy

In order to provide causal evidence of donors’ interactions, I develop an instrument of the US allocation based on a natural experiment, which is the rescinding and reinstatement of the Global Gag Rule, previously described.

I will use this exogenous time variation – from the point of view of other donors and recipients – in the US allocation as an instrument of the family planning aid allocated by the US. To identify a causal effect I need to introduce cross-country variation. I use the fact that the policy does not affect all recipient countries uniformly.

Indeed, all recipients do not suffer the same loss in terms of funding because of two effects. First, as all donors, the US tends to allocate larger grants of aid to countries receiving often FP aid. Thus, it is easier to cut programs in non-regular recipients than in regular recipients. Figure 6 represents the annual total amount of aid allocated to high exposed countries and low exposed countries. I used the median average probability of receiving family planning aid during the Clinton and Obama Administrations to measure exposure because the measure was inactive during these years.¹⁵ It represents how much a country potentially had to lose

¹⁵The median is equal to 0.53.

under the policy. The pattern is similar between high- and low-exposed recipient countries. Only the level of aid is different. During the Bush Administration, the effect of the GGR tends to be relatively more pronounced for low-exposed countries but the change in absolute amounts allocated is larger for high-exposed countries.

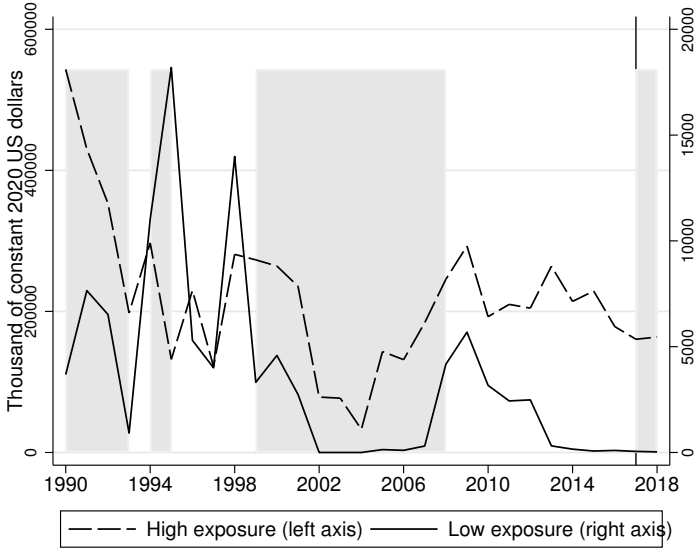


Figure 6: US FP aid disbursement: high and low-exposed recipients

Note: A high-exposed recipient is a recipient whose probability of receiving FP aid when the Global Gag Rule is inactive is above the median sample (0.53).

Second, in some countries, US family planning aid is mainly channelled through official governments while in other countries the US relies more on non-US NGOs. These countries should be more affected by the policy than other countries. Figure 7 uses a different definition of high exposure depending on the share of family planning aid channelled through non-US NGOs during the Obama Administration with the median as the cut-off (0.5). I do not include the Clinton Administration because of less reliable data on channels before 2000. The difference in pattern between periods of active/inactive policy seems to be more important in high-exposed countries, in line with how the policy should affect aid allocation. I make use of this over-time and cross-section heterogeneity in the supply of and recipients of US family planning aid.

Hence the reform should affect more, in absolute terms, countries that have received often family planning aid when the policy is not active. In addition, the policy should also affect more countries for which aid is often channelled by non-US NGOs. Figure 8 shows the evolution of US FP aid for high and low exposed countries for the indicator of vulnerability.

Given the timing of the reform and its heterogeneous impact, I estimate the following first-

stage:

$$FPA_{USrt-1} = \gamma_1 GGR_{t-1} * FP_r * shareONG_r + \beta_2 X_{rt-1} + \beta_3 X_{rt-1} * GGR_{t-1} + \eta_{t-1} + \lambda_r + \lambda_{reg,t-1} + \epsilon_{rt-1} \quad (2)$$

The instrument is the interaction of a dummy, GGR_{t-1} equal to one when the Global Gag Rule is active, which varies over time and an indicator of how the recipient country could be affected, $FP_r * shareONG_r$, which varies across recipient time. This indicator depends on the probability of receiving US family planning aid, FP_r interacted with the average share of US family planning aid channelled in the country through non-US NGOs during Obama administration.¹⁶

I expect a negative coefficient. Aid to countries that receive frequently family planning aid from the US through non-US NGOs will be disproportionately decreased when the Global Gag Rule is reinstated.

The interaction term allows me to include year fixed effect in the first stage equation, so as to control for changes over time that could be spuriously correlated with EU food aid allocation pattern. η_t also captures the direct and uniform impact of the change in policy on recipients. λ_r controls for the direct time-invariant impact of FP_r on FPA_{USrt-1} and for specific relationships between the US and the recipient.

An obvious concern is that this instrument violates the exclusion restriction because the probability of receiving US family planning may directly affect the amount of aid allocated by other donors because of specific linkages between recipient and donor countries. However, the second stage regression controls for the effect of the probability of receiving US family planning aid through the inclusion of recipient-donor-pair-fixed effects. Given that I control for the effects of the probability of receiving US family planning aid through fixed effect, its interaction with exogenous variable results in an exogenous instrument under the assumption of parallel trends (Goldsmith-Pinkham et al., 2020; Bun and Harrison, 2019).

The identifying assumption is that aid allocation from other donors in countries with differing probabilities of receiving US family planning aid will not be affected differently by

¹⁶Ideally one would compute those two indicators before any implementations of the GGR. However data are not available before 1984. The second best option would have been to compute both indicators before each reinstatement. For instance, using the probability of receiving FP aid from the US and the share channelled by non-US NGOs during Clinton mandate for the Bush and Obama period and compute the same indicators during Obama period for the Trump and Biden mandates. However channel is not well recorded before the 2000s and when the information is not known, data records bilateral channel. The best option given the data seems to compute the channel share during Obama period and the probability of receiving FP aid over all rescinding periods.

changes induced by the change in foreign policy from the US, other than via the impact of US aid allocation, controlling for recipient-donor- and donor-year-fixed effects. Causal inference using the interacted instrumental variable relies on the assumption that, conditional on the controls, the interaction between lagged US policy activation and a country's tendency to receive US family planning aid through non-US NGOs only affects allocation from other donors through the provision of US family planning aid. It means that I rely on a conditionally exogenous treatment and parallel trends across groups. In order for different trends to affect the results, these trends across countries with different probability of receiving US family planning aid through non-US NGOs would have varied in tandem with US changes in administrations for all other donors.

Another concern with this assumption is that a change in GGR reinstatement or rescinding may affect allocation from other donors through its influence on more global US foreign policy. In practice, this is not a serious problem for our estimates for several reasons. First, the region-year fixed effects in our baseline equation flexibly control for all region-specific changes over time and therefore account for any global or even region-specific changes in US foreign policy. To violate the exclusion restriction, these changes would need to have systematically different effects on aid allocation from other donors within regions and in a manner that was correlated with a country's tendency to receive family planning aid from the United States. In addition, in such a case we should expect donors to react in other sectors of aid. To investigate this potential problem, I run the same identification strategy but using aid devoted to non-communicable disease, malaria and tuberculosis. Using OECD-CRS data, I also look at education and agricultural sector.

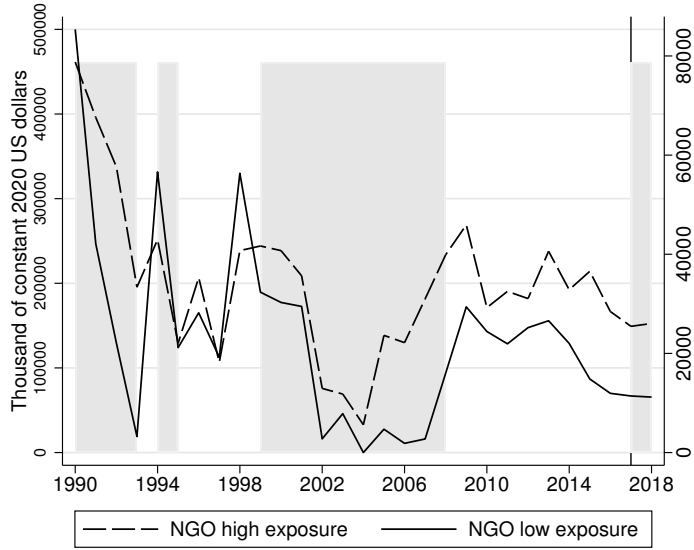


Figure 7: US FP aid disbursement: NGO high and low-exposed recipients
 Note: A NGO high-exposed recipient is a recipient for whom the share of FP aid channelled by non-US NGOs during Obama administration is above the median sample (0.5).

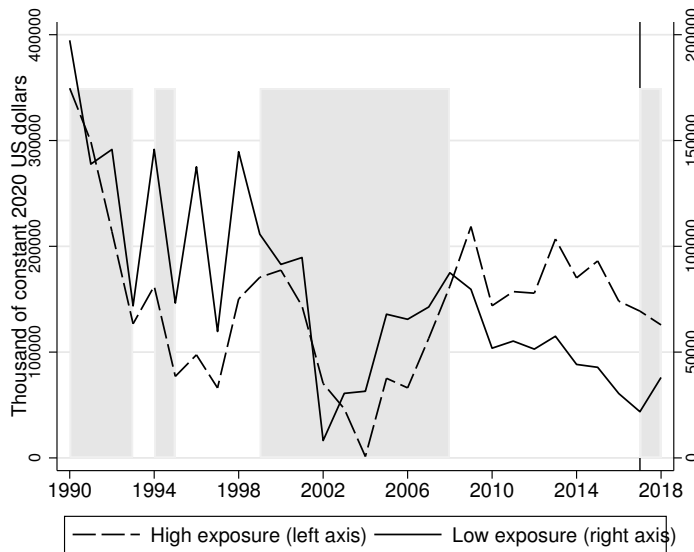


Figure 8: US FP aid disbursement: vulnerability to the GGR
 Note: A high exposed recipient is a recipient for whom the vulnerability index (construct as the interaction of the probability of receiving US FP when the GGR is not active and the share of aid channelled by non-US NGOs) is above 0.48.

5 Results

5.1 Baseline results

Table 2 presents the main results on how donors react to the US aid allocation for family planning using IHME data. Column (1) only controls for fixed effects. Columns (2) to (5) include successively different control variables. The sample is kept constant to avoid any selection effect in order to truly investigate the effect of the inclusion of additional control variables.

Part A provides OLS estimates. I observe a positive correlation between the past US allocation of family planning or/and the allocation from other donors. An increase of one percent of the previous year of US family planning aid is associated with an increase of between 0.011 to 0.021 percent of other donors' aid allocation. Nevertheless as already pointed out, these estimates are more likely to be biased due to endogeneity.

Therefore, I turn to the IV strategy presented previously. Part B presents the reduced form. Part C shows the second-stage estimates and part D the first-stage estimates.

The first-stage estimates show the expected negative sign. All estimates are significant. When the Global Gag Rule is active, countries that are regular recipients of US FP aid and for which aid is more often channelled through non-US NGOs received disproportionately less US FP aid than other countries. The K.-P. stat ensures that our instrument is strong enough. $FP_r * shareONG_r$ varies between 0 and 0.62 with an average equal to 0.23. For the average country, the rescinding of the GGR induces an increase that is between 108 and 195 percent. Hence when the GGR is active, it divides for the average country by two or three the amount of family planning aid allocated by the US.

The key results are shown in part C. Thus, I estimate the average treatment effect on the complier population, here the countries for which the US family planning aid is affected by the Global Gag Rule. It shows that for those recipient countries, donors tend not to react significantly to the US FP allocation at a 10 percent level.¹⁷ Hence, for countries for which the GGR affects the US family planning aid, other donors do not reinforce the supply effect of the GGR but neither compensate, it induces a non-negligible loss in terms of family planning fundings for women in those countries.

This absence of reaction is new compared to studies looking at donors' interactions (Davies

¹⁷Following Lee et al. (2021), further analysis will be done to ensure the validity of the inference as t-ratio is slightly higher than the t-stat cut-off.

	(1)	(2)	(3)	(4)	(5)
	A: OLS Estimates - Dep. Var: Family planning aid from d				
Log of US FP aid $_{rt-1}$	0.0205** (0.00806)	0.0176** (0.00794)	0.0159** (0.00706)	0.0124* (0.00633)	0.0129* (0.00627)
	B: Reduced Form - Dep. Var : Family planning aid from d				
MCP $_{t-1}$ * FP $_r$ * shareONG $_r$	-0.302** (0.121)	-0.267** (0.124)	-0.242** (0.118)	-0.210* (0.126)	-0.167 (0.120)
	C: 2SLS - Dep. Var : Family planning aid from d				
Log of US FP aid $_{rt-1}$	0.0780** (0.0313)	0.0768** (0.0370)	0.0703* (0.0358)	0.0620 (0.0380)	0.0483 (0.0350)
	D: First-stage - Dep. Var : US Family planning aid				
MCP $_{t-1}$ * FP $_r$ * shareONG $_r$	-3.875*** (0.555)	-3.480*** (0.484)	-3.439*** (0.494)	-3.378*** (0.498)	-3.468*** (0.511)
Obs.	59426	59426	59426	59426	59426
Donor-recipient pair	6251	6251	6251	6251	6251
Recipient	105	105	105	105	105
K-P. F-Stat	48.78	51.80	48.50	46.06	46.06
Anderson-Rubin F-test	6.217	4.624	4.176	2.754	1.954
p-value of Anderson-Rubin F-test	0.0203	0.0423	0.0526	0.111	0.176
Donor-Recipient FE	Yes	Yes	Yes	Yes	Yes
Donor-Year FE	Yes	Yes	Yes	Yes	Yes
ln(GDP per capita) $_{rt-1}$	No	Yes	Yes	Yes	Yes
ln(Population) $_{rt-1}$	No	Yes	Yes	Yes	Yes
Democratic Index $_{rt-1}$	No	No	Yes	Yes	Yes
Female life expectancy $_{rt-1}$	No	No	Yes	Yes	Yes
Poverty ratio $_{rt-1}$	No	No	Yes	Yes	Yes
HIV incidence (15-49) $_{rt-1}$	No	No	No	Yes	Yes
HIV prevalence (15-49) $_{rt-1}$	No	No	No	Yes	Yes
Fertility rate $_{rt-1}$	No	No	No	Yes	Yes
Maternal mortality rate $_{rt-1}$	No	No	No	Yes	Yes
Adolescent fertility rate $_{rt-1}$	No	No	No	No	Yes
UN vote similarity $_{drt-1}$	No	No	No	No	Yes

Notes: One observation is a pair donor-recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. Aid data come from IHME database.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 2: Donors reaction to US FP aid allocation (1990-2019) - Baseline results

and Klasen, 2019; Ferrière, 2021; Steinwand and Reinsberg, 2020). Those studies show that on average competition effects or signalling effect tend to affect the allocation of donors who adjust their behaviour by reinforcing the choice done by the other donors. However this reaction is not in line with official announcements following the reinstatement of the GGR. Indeed, these findings suggest that despite international announcements, donors do not fill immediately the decency gap. Usually, herding behaviour is explained either by competition or information effect. It could be the case that the usual behavior (herding) is compensated by the call to fill the decency gap and may explain the absence of reaction for family planning aid to the allocation of the lead donor, the US.

Here another mechanism can explain partly those results, not directly related to the donors but to the NGOs affected by the GGR. Affected NGOs needed to fill the funding gap created by the Global Gag Rule. As a consequence, those NGOs may also decide to stop being active in family planning programs. Hence donors who were likely to fund projects are unable to find implementing agencies to do so. Nevertheless qualitative research in different countries (Ravaoarisoa et al., 2020) shows that NGOs devoted large amounts of time and effort to find new sources of funding. However, they document also the fact that a majority of NGOs struggled to find replacement funding from alternative donors, notably after declining to certify the policy. It may also suggest that NGOs affected by the GGR tend to search private funds rather than traditional bilateral funds (Ravaoarisoa et al., 2020), it also suggests that non compliance or compliance to the GGR for NGOs affect their capacity to obtain funds as suggested by some qualitative evidence in Kenya (Ushie et al., 2020) where a majority of NGOs claimed that “nobody wants to come with us; it’s us who are trying to reach out”. Those evidence suggests that the absence of reaction is not due to a demand effect from the NGOs but to a supply effect from donors.

Table 3 shows how the estimates evolve with the timing of the reaction of donors. I change the timing of the US aid allocation from simultaneous reaction to a reaction three years after. In analogy, I change the timing of the instrument: if I investigate how donors react to the US allocation in $t - 2$, the instrument is also lagged by two years. The estimates are always positive but never significant. I do observe an inverse-U shape on the magnitude of the effect as if donors need time to fully adjust their own allocation and the effect fades with time. The magnitude of order also tends to confirm that donors adjust their own allocation (for disbursements at least) with one year lag even if the effect is not significant. As a placebo test, I also look at the effect of future US disbursements on other donors’ current disbursements. As expected the effect is not significant.

	Dep. Var: Family planning aid from d					
ln of US FP aid $_{rt-4}$	0.0188 (0.0458)					
ln of US FP aid $_{rt-3}$		0.0632 (0.0459)				
ln of US FP aid $_{rt-2}$			0.0669 (0.0435)			
Baseline result				0.0483 (0.0350)		
ln of US FP aid $_{rt}$					0.0375 (0.0356)	
ln of US FP aid $_{rt+1}$						0.0363 (0.0255)
Obs.	54652	56276	57930	59426	59426	59426
Donor-recipient pair	5916	6029	6144	6251	6251	6251
Recipient	24	24	24	24	24	24
K-P. F-Stat	31.89	34.36	32.73	46.06	58.11	70.27
Anderson-Rubin F-test	0.168	1.968	2.588	1.954	1.074	1.945
p-value of Anderson-Rubin F-test	0.685	0.174	0.121	0.176	0.311	0.176
Donor-Recipient FE	Yes	Yes	Yes	Yes	Yes	Yes
Donor-Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls as (5) of table 2	Yes	Yes	Yes	Yes	Yes	Yes

Notes: One observation is a pair donor-recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. Aid data come from IHME database. Similar table for OLS estimates is provided in table 8 in appendix A.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 3: Timing of donors' reaction (1990-2019): IV estimates

	Dep. Var: Family planning aid from d		
	1993-2008	2001-2016	2009-2018
Log of US FP aid $_{rt-1}$	0.0509 (0.0981)	0.00918 (0.0455)	0.0606 (0.0932)
Obs.	32939	37250	23331
Donor-recipient pair	4584	4753	3851
Recipient	24	24	24
K-P. F-Stat	7.311	25.97	24.02
Anderson-Rubin F-test	0.268	0.0407	0.458
p-value of Anderson-Rubin F-test	0.609	0.842	0.505
Donor-Recipient FE	Yes	Yes	Yes
Donor-Year FE	Yes	Yes	Yes
Controls as (5) of table 2	Yes	Yes	Yes

Notes: One observation is a pair donor-recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. Aid data come from IHME database. Similar table for OLS estimates is provided in table 9 in appendix A.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 4: Reactions to a change on administration: IV estimates

5.2 Reinstatement versus rescinding

Next, I investigate how donors specifically react to each change in administration. Indeed, international reactions were more important after the reinstatement by the Trump Administration. Additionally, it is not sure that donors would react in the same way to a rescinding and a reinstatement, that corresponds respectively to the withdraw or entry of the dominant player. Table 4 provides the estimates for each change in administration. The first column focuses on the reinstatement in 2000 (Clinton to G.W. Bush), the second on the rescinding in 2008 (G.W. Bush to Obama) and the last column on the reinstatement in 2016 (Obama to Trump).

Again, donors do not react significantly to the US allocation. No specific pattern emerges between reinstatement and rescinding. If anything the change in pattern is related to the 90s and the 2000s.

5.3 Bilateral response

Qualitative evidence suggest that Nordic European countries were more likely to fill the gap after the reinstatement of the Global Gag rule than other countries. At least they publicly denounced the Global Gag Rule and called for the international community to increase their own pledges. Hence the average positive reactions we observe may hide large heterogeneous reactions from different donors. Some donors can reinforce the GGR while other may effectively fill the decency gap. It is thus necessary to investigate bilateral reaction to the US foreign policy on family planning aid. Bilateral results are provided in table 5.

In practice, only two small donors react: Greece (negatively) and New Zealand (positively). All other donors do not react to the US family planning aid allocation even if estimates are positive for two third of the sample, but not significantly. before 2020, New Zealand was one of the donors with the most important restrictions on abortion. Abortion was only possible with justification (related to mental and physical health or life concern for the woman) and not at woman's request. Abortion was legally not allowed in cases where the pregnancy is the result of rape or gender-based/sexual violence. ¹⁸

¹⁸See Guillaume and Rossier (2018) and the Global Abortion Policies Database.

	Australia	Austria	Belgium	Canada	Denmark
Log of US FP aid _{rt-1}	0.139 (0.101)	-0.009 (0.069)	-0.138 (0.111)	0.136 (0.191)	-0.102 (0.066)
Obs.	2397.000	2568.000	2681.000	2741.000	2663.000
	Finland	France	Germany	Greece	Ireland
Log of US FP aid _{rt-1}	-0.001 (0.088)	0.056 (0.154)	0.340 (0.309)	-0.042 (0.036)	0.017 (0.054)
Obs.	2720.000	2749.000	2709.000	2105.000	2454.000
	Italy	Japan	Korea	Luxembourg	
Log of US FP aid _{rt-1}	0.001 (0.089)	0.140 (0.094)	-0.004 (0.066)	0.037 (0.039)	
Obs.	2727.000	2552.000	2042.000	2348.000	
	Netherlands	New Zealand	Norway	Portugal	
Log of US FP aid _{rt-1}	0.014 (0.155)	0.034 (0.029)	-0.008 (0.081)	-0.020 (0.029)	
Obs.	2760.000	1893.000	2756.000	2605.000	
	Spain	Sweden	Switzerland	UK	BMGF
Log of US FP aid _{rt-1}	-0.068 (0.118)	0.046 (0.095)	0.080 (0.058)	0.224 (0.202)	-0.160 (0.156)
Obs.	2412.000	2766.000	2532.000	2644.000	1975.000

Notes: One observation is a recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. Aid data come from IHME database. OLS estimates are provided in Table 10 in appendix A.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 5: Bilateral reactions : IV estimates

5.4 Placebo test and robustness analysis

I explore robustness to outliers. I replicate the regressions excluding each time a donor and a recipient. Thus, I run 3888 additional regression. I plot the estimates obtained in figure 9. The vertical line represents the estimates of baseline results.

The histogram shows that the estimate is not really sensitive to the inclusion of some donors or recipients. Only the exclusion of one recipient - Indonesia – affects importantly the order of magnitude, with an estimate around 0.05. Nevertheless the results remain positive and significant in all regressions.

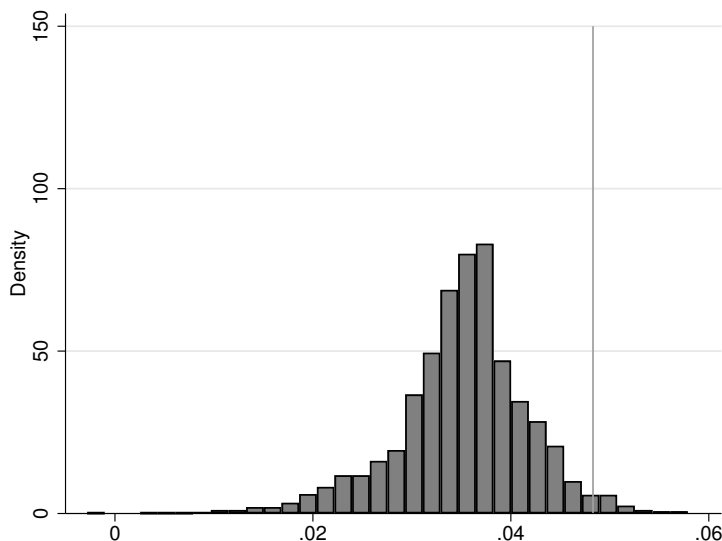


Figure 9: Estimates of baseline equation excluding a donor and a recipient

Note: An observation is the estimate of the coefficient of interest of baseline regression excluding a donor and a recipient.

The PEPFAR fund launched in 2003 targeted 15 countries.¹⁹ Those countries received large US aid to fight HIV and AIDS. It could have affect the allocation of family planning differently. In order to rule out the possibility that results are driven by those specific sample of recipientS, I estimate the equation excluding those countries. Results remain significant and positive and the order of magnitude is the same. The results are shown in column (1) of table 6.

I next look at a broader definition of family planning aid in column (2). To do so, I investigate the reaction of other donors but for all reproductive and maternal health sector (RMH). As expected the K.-P. F.-Stat is lower than before. The estimate is larger but remains

¹⁹Those countries are : South Africa, Bostwana, Côte d'Ivoire, Ethiopia, Guyana, Haïti, Kenya, Mozambique, Namibia, Nigeria, Uganda, Rwanda, Tanzania, Vietnam and Zambia.

non significant. This result suggests that the Global Gag Rule may not only affect the allocation of family planning aid but also, due to a definition of family planning which is not perfectly stated, the allocation of reproductive and maternal health in general. This could be explained by the fact projects on family planning and maternal health are generally implemented together by the same implementing agencies.

In IHME database, nonzero values under \$500 are indicated by dashes. Thus we do not know the exact amount allocated if the flow is lower than \$500. In baseline regressions, I used values rounded to the thousands place, those flows are rounded to zero. To investigate the sensitivity of the results, I replace those flows by a flow equal to \$500. Columns (3) and (4) investigate the robustness to the case I only replace US FP aid and to the case both US and other donors aid are replaced. Results remain similar and significant.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PEPFAR	FPAid _{drt}	FPAid _{drt}	FPAid _{drt}	BFPAid _{drt}	NCD _{drt}	MAL _{drt}	CRS13020	CRS130	Educ.	Agri.
Log(US FP aid) _{rt-1}	0.055 (0.032)				-0.099 (0.062)	0.147 (0.144)	0.029 (0.051)	0.026 (0.043)	-0.048 (0.075)	0.010 (0.083)
Log(US RMH aid) _{rt-1}	0.052 (0.055)									
Bound Log(US FP aid) _{rt-1}			0.039 (0.039)	0.031 (0.039)						
Obs.	50280	59470	59470	59470	59470	59470	24975	24975	24975	24975
Donor-recipient pair	2761	3121	3121	3121	3121	3121	1848	1848	1848	1848
Recipient	90	105	105	105	105	105	58	58	58	58
K-P. F-Stat	28.98	12.27	19.30	19.30	23.31	23.31	3.557	3.557	3.557	3.557
Anderson-Rubin F-test	3.171	1.011	1.011	0.626	2.805	1.209	0.351	0.269	0.537	0.0148
p-value of AR F-test	0.0882	0.325	0.325	0.437	0.108	0.283	0.559	0.609	0.471	0.904
Donor-Recipient FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Donor-Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls as (5) of table 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: One observation is a pair donor-recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. Aid data come from IHME database. PEPFAR exclude 15 recipients that benefited from the PEPFAR programs starting 2003. NCDAid and MALAid represent respectively aid allocated against tuberculosis, non-communicable disease and malaria. Bound Aid is aid for which flows lower than \$500 are registered as equal to \$500. CRS corresponds to flow labelled by purpose code 13020 or 13030, CRS 130 corresponds to aid flows labelled "reproductive health and population policy"

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 6: Donors reaction to US FP aid allocation (1990-2019) - Robustness

I also look at placebo regressions. Under the hypothesis that the GGR does not affect other US aid budgets through a balancing effect, I expect that allocations from other donors, in sectors not related to reproductive health, are not affected by the US allocation on family planning aid. I first investigate whether donors adjust their allocation for non communicable disease aid (NCD) and malaria (MAL) in reaction of the evolution of the US FP aid. Results are provided in table 6 in columns (5) to (6). As expected donors do not react significantly.

I also use OECD-CRS data from 2000 to 2019 to investigate the robustness of the result to the choice of a specific database. I focus on disbursements. I first focus only on family planning (purpose code 13020 and 13030) in column (7) and next on reproductive health and population policy (sector code 130) in column (8). For flows focusing explicitly on family planning (column 7), the estimate is positive and significant at the five percent level. For a broader definition of family planning programs, the estimate is also positive but not significant at a 10 percent level. In columns (9) and (10) I run additional placebo tests by looking at reactions for education and agriculture aid, still using OECD-CRS data. Both estimates are non significant.

Finally, if the results are driven by an election effect and a change in administration we may observe significant reactions after an election even if it does not affect the status of the Global Gag Rule. As both Presidents G.W. Bush and Obama were reelected I can run two placebo tests. I redefined the GGR to be equal to one during the second mandate of the president and run the regressions during the whole period of presidency. Hence I run two regressions, one for President Bush and one for President Obama. Results are provided in table 7. As expected, the effect is not significant and the IV strategy not relevant.²⁰

Finally, I run the randomization placebo test introduced by Christian and Barrett (2021). This test introduces randomness into the endogenous explanatory variable of interest (here the US family planning receipts in a given year) while holding constant cross-sectional exposure (here $FP_r * shareONG_r$), the instrument (here the timing of the GGR). It should eliminate the estimated causal relationship if indeed exogenous implementation of the GGR drive outcomes (reaction from other donors). Hence, within a given year, I hold constant the following variables: the identity of the countries that receive any family planning aid, the identity of the countries that receive such aid at least partly through non-US NGOs, observable fixed and time-varying characteristics of countries and the aggregate distribution of family planning aid across all countries each year. But I randomly reallocate the quantity

²⁰A better placebo test would have been to look at a false rescinding of the GGR in 1989 when there is a change in President (Reagan to Bush) but the President remained a Republican and the GGR remained active. Unfortunately, data are not available before 1990.

	(1)	(2)
	Bush	Obama
Log(US FP aid) _{rt-1}	0.089 (0.274)	-4.294 (336.018)
Obs.	14329	14391
Donor-recipient pair	2271	2268
Recipient	92	92
K-P. F-Stat	0.663	0.000168
Anderson-Rubin F-test	0.150	0.0932
p-value of AR F-test	0.702	0.763
Donor-Recipient FE	Yes	Yes
Donor-Year FE	Yes	Yes
Controls as (5) of table 2	Yes	Yes

Notes: One observation is a pair donor-recipient and a year. Coefficients are reported with standard errors clustered at the recipient and donor level. For Bush, the GGR is falsely rescinded in 2005. For Obama, the GGR is falsely reinstated in 2013.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 7: Placebo test

of family planning aid delivered to a particular country. In practice I thus perform permutations of aid among recipients of US family planning aid. The resulting pseudo-data set should preserve the two sources of endogeneity someone may worry about – time trends and endogenous selection into being a regular family planning aid recipient. In this placebo test, the only reason why the quantity of family planning aid from the US would be positively related to other donors’ allocation would be that countries that regularly receive other donors’ aid are also the countries that regularly receive US FP aid through non-US NGOs and the years the GGR is not active happen to be years in which other donors’ aid is elevated.

Figure 10 shows the distribution of coefficient estimates generated by 1,000 randomizations of family planning aid allocations and then (re-)estimating the baseline 2SLS model. If the true causal relationship between US FP aid allocations and other donors’ FP aid is positive and the identification is otherwise unaffected by selection bias and spurious time trends, the distribution of coefficients would shift left relative to the baseline coefficient estimate because the randomization of US FP allocations would attenuate the estimated relationship between US aid and aid from other donors. I observe the left shift even if it is not centered around zero.

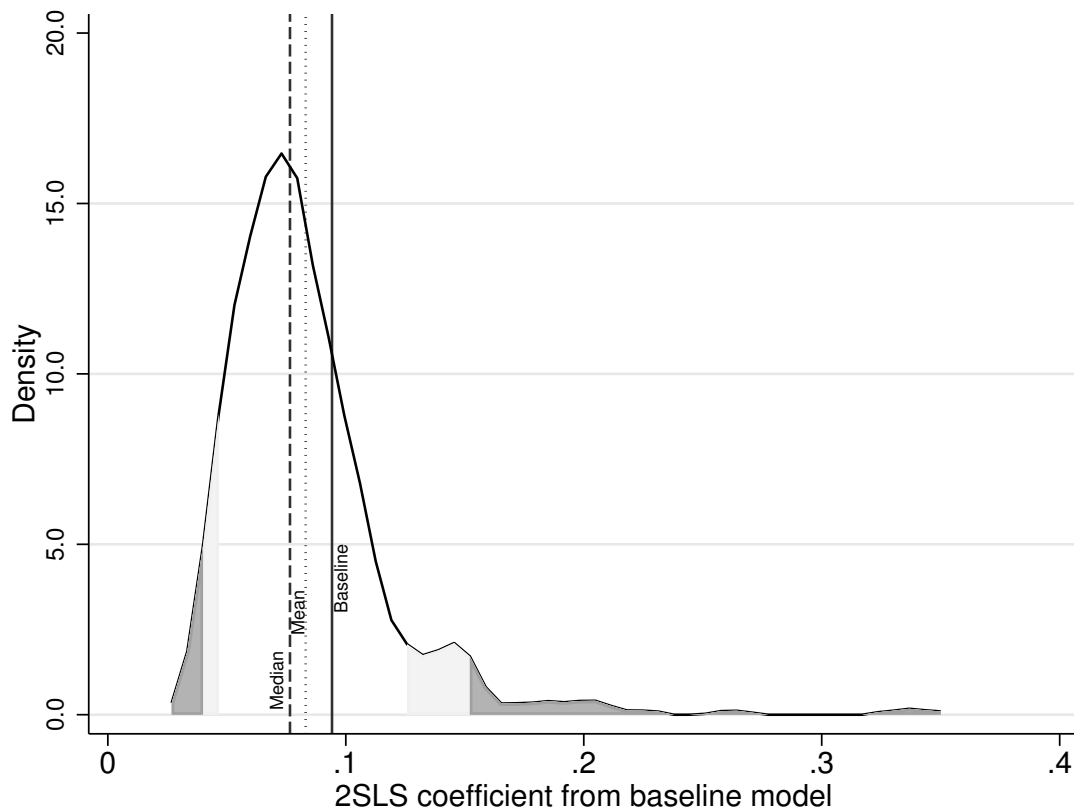


Figure 10: Distribution of the 2SLS coefficient estimates using Christian and Barrett (2021) randomized placebo test.

Note: The density plot depicts the distribution of 2SLS coefficient estimates using the set of baseline controls with 1,000 draws of randomized allocations of US FP aid and randomized share of aid channelled through foreign NGOs among actual recipients in a given year. The dark shaded area indicates the bottom and top 5% of draws. The light shaded area shows the top and bottom 10%.

6 Conclusion

This paper analyses the reaction of official donors to the US allocation of family planning aid. To do so, I exploit the successive rescinding and reinstatement of the Global Gag Rule in the US to construct an instrumental strategy.

Using data on health aid from 23 donors and 95 recipients from 1990 to 2019, I find no evidence of filling the decency gap (ie. a decrease in US donations to a given recipient tends to increase donations by other donors to that recipient). On the contrary, I find that, on average, donors do not react to the US allocation. Different robustness checks and placebo tests were performed to reinforce the accuracy of the findings.

Those results go against some official claims from some donors such as the European Union but in the same directions that previous literature on donors' interactions. In 2001, the European commissioner for development publicly called for an increase in the European budget. Fundraising campaigns, such as "SheDecides" launched in 2017 in reaction to the reinstatement of the Global Gag Rule by the Trump Administration, were not sufficient to really shift the aid policies of other donors. Those results highlight that highly publicized actions are necessary but not sufficient to truly offset the effect of the Global Gag Rule. It also underlines the importance of the US leadership in family planning programs and how domestic debates may affect allocation of aid not only from one donor but also from other donors.