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	Soggetti	Economic assistance
		Flow of funds
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		Budget planning and preparation
		Budget Systems
		Budget
		Budgeting & financial management
		Budgeting
		Competition
		Exports and Imports
		Finance
		Finance: General
		Financial markets
		Foreign Aid
		Foreign aid
		General Financial Markets: General (includes Measurement and Data)
		Government Policy
		International economics
		International Fiscal Issues
		International Public Goods
		International relief
		National Budget
		Poverty & precarity
		Poverty and Homelessness
		Poverty reduction
		Poverty
		Provision and Effects of Welfare Program

Public financial management (PFM)
Social Services and Welfare
Social welfare & social services
Welfare, Well-Being, and Poverty: General
China, People's Republic of

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Nota di contenuto	Cover; Contents; 1 Introduction; 2 Donor Coordination in Practice: Fragmentation; Figures; 1 Number of Recipient Countries and Global Aid Budget Shares; 2 Global Aid Herfindahl Index; 3 Background Literature; 4 Model; 4.1 Donors Maximize Net Aid Impact; 4.2 Donors Maximize Relative Net Aid Impact; 3 Best-Response Functions with Identical Donors; 4.3 Introducing Fixed Costs; 4 Best-Response Functions with Non-Identical Donors; 4.4 Introducing More Recipients and More Donors; 5 Empirical Evidence; Tables; 1 Larger Donors vs. Smaller Donors; 5 Herfindahl Index and Relative Donor Size 2 Donor Ranking in Aid Selectivity3 Donor Selectivity and Herfindahl Index; 6 Conclusion; References; Appendix A; Proof of Proposition 1; Description of Best-Response Functions; Proof of Proposition 4; Appendix B; Table 4: Donor Selectivity and MLD; Table 5: Donor Selectivity and Theil Index
Sommario/riassunto	This paper shows that donors that maximize relative aid impact spread their budgets across many recipient countries in a unique Nash equilibrium, explaining aid fragmentation. This equilibrium may be inefficient even without fixed costs, and the inefficiency increases in the equality of donors budgets. The paper presents empirical evidence consistent with theoretical results. These imply that, short of ending donors maximization of relative aid impact, agreements to better coordinate aid allocations are not implementable. Moreover, since policies to increase donor competition in terms of aid effectiveness risk reinforcing relativeness, they may well backfire, as any such reinforcement increases aid fragmentation.