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# **Aid and Child Health: Local Effects of Aid on Stunting in Malawi**

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# Aid and child health

## Local effects of aid on stunting in Malawi\*

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**Abstract:** Motivated by a recent setback in the fight against child malnutrition, this study explores whether aid projects help to reduce stunting, or impaired growth, among children in the local area. Focusing on Malawi, a country with very high stunting prevalence and for which we have access to geo-referenced data on aid projects from a broad range of donors, we geographically match spatial data on 778 aid project sites of 22 different donors with anthropometric and background data on 26,604 children under the age of 5. To identify the effect of aid, we rely on spatial and temporal variation in aid project coverage and survey rollout, coupled with variation in childbirth years in relation to project start. The empirical results consistently indicate a positive impact of early life aid exposure on child growth. The positive treatment effect materializes already for children born in the early project implementation phase and lasts for children born up to 3 years after project start and is seemingly driven primarily by multilateral aid and projects focusing on rural development, vulnerability, infrastructure, and education.

**JEL classifications:** F35, I15; O12; O15

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# 1 Introduction

This study explores the capacity of foreign aid to protect children from the devastating consequences of stunting, or impaired growth. Stunting refers to being too short for one's age due to chronic malnutrition and repeated infections during early life. Stunted children are unlikely to reach their potential height and their brains are unlikely to reach their full potential. They therefore perform less well in school and fall sick more often than other children do. As adults, they tend to display lower levels of human capital and productive capacity, and more often suffer from chronic diseases (WHO, 2015; UNICEF/WHO/World Bank Group, 2021). Stunting is thus a strong marker of general child health and child development, with important long-term consequences for the individual, and, in countries with high prevalence, for society at large.

Globally, close to 150 million children under age 5 suffered from stunting in 2020. This represented a 27 percent reduction compared with the year 2000 (UNICEF/WHO/World Bank Group, 2021). However, these figures are from before the Covid-19 pandemic and the Russian invasion of Ukraine, both of which have resulted in soaring energy prices and global shortages of grain and fertilizer. In addition, weather related shocks due to global warming increasingly disrupt food production. Thus, after decades of progress in fighting malnutrition and food insecurity, manifested by the “Zero Hunger” sustainable development goal (SDG2) in Agenda 2030 (UN, 2015), there has been a serious setback. Against this backdrop, the UN now warns of a global food crisis that could last for years and “tip tens of millions of people over the edge into food insecurity” (UN, 2022), and headlines speak of “the coming food catastrophe” (The Economist, 2022).

In view of these developments, investigating the capacity of foreign aid to prevent stunting in poor countries is key. This study focuses on Malawi, since it is the country with the most complete geo-referenced record of aid projects from a broad range of donors, allowing for detailed and disaggregated analysis of local aid flows. Malawi is also one of the countries in the world with the highest prevalence of stunting (more on this in Section 2).

First, we ask whether aid projects help to reduce stunting in the local area. Next, we investigate when the potential treatment effects kick in and for how long they last, and how they vary depending on treatment intensity, type of project, and donor. Finally, we evaluate the

robustness and heterogeneity of the estimated effects and explore possible mechanisms underlying the results.

To address these questions, we geographically match spatial data on aid projects in Malawi spanning the period 1998–2016, with respondents from four waves of the Demographic and Health Survey (DHS), conducted 2000–2016. Our benchmark sample consists of 26,604 children under the age of 5, matched with 778 aid project sites of 22 different donors.

Drawing on the anthropometric DHS data, we compute sex- and age-standardized height-for-age z-scores (HAZ scores), giving the number of standard deviations by which the observed child’s height-for-age differs from the mean of a child of the same age in a reference population. We use three outcome variables: 1) stunting ( $\text{HAZ} \leq -2$ ), 2) extreme stunting ( $\text{HAZ} \leq -3$ ), and 3) the continuous HAZ score. The latter is important since studies have shown that associations between growth faltering and risk of death or poor cognitive outcomes exist along a HAZ continuum, without a notable inflection point at  $-2$  SD (Perumal et al., 2018). Furthermore, overdispersion, or measurement error, would render comparisons of stunting rates based on specific cutoffs less reliable (Ghosh et al., 2020).

We want our main explanatory variable to capture aid exposure, or treatment, during a critical period during the child’s early life. In the benchmark specification, we classify children as treated if they were born the same year as, or up to 3 years after, the start of a project located within 10 km of the survey cluster. In further estimations, we break down our treatment variable into multiple indicators depending on the number of years from project start to the birth of the child, the number of projects meeting the treatment criterion within the cutoff distance, the sectoral division of projects, and, finally, the donor in focus.

To identify the effect of aid, we rely on spatial and temporal variation in aid project coverage and survey rollout, coupled with variation in childbirth years in relation to project start. In the main analysis, we start from the full sample, and then narrow down the control group in steps to ensure comparability with our treatment group. In the full sample estimations, we compare treated and untreated children within districts and within 55x55 km grid cells. In a next step, we restrict the sample to include only “ever-treated” clusters, consisting of survey clusters with a past, present, or future aid project within 10 km at the time of the survey, thus comparing only children living in areas that donors and the government have, at some point, deemed suitable for aid project localization. Finally, we restrict the sample to children born 0–

3 years after project start (treated) and children born 2–4 years prior to project start (untreated) in ever-treated clusters.

In additional estimations we rely on sub-samples with variation in treatment status within clusters and across siblings within households, including cluster-by-year fixed effects and mother fixed effects, respectively. Furthermore, to ensure that treated and un-treated children are balanced on key covariates, we use coarsened exact matching (CEM) and run estimations based on a matched sample.

The empirical results consistently indicate a positive impact of early life aid exposure on child growth. The more we narrow down the comparison group to account for unobserved variation across time and space, the more pronounced the estimated treatment effect generally becomes. Treated children are around 2 percentage points less likely to be stunted in the least restrictive specification, compared with around 6 percentage points less likely to be stunted (4 in the case of severe stunting) in the most restrictive specification. Considering the continuous HAZ score, the corresponding effect sizes range from around 4 to 16 percent of a standard deviation. While no complete game changer, these effects are clearly not negligible.

As expected, there is significant treatment effect heterogeneity. First, we can note that the positive treatment effects of aid projects on local child growth materialize already for children born in the early project implementation phase, but do not remain for children born 4–5 years after project start. With respect to treatment intensity, the results suggest no simple linear effect of the number of projects on our outcome variables of interest, but they nonetheless indicate that living near three or four projects fitting the treatment criteria has a stronger effect than living near one project. In terms of sectoral focus, we observe positive treatment effects for projects in the areas of rural development, vulnerability, infrastructure, and education, but somewhat surprisingly not for projects focusing on health, agriculture, and water and sanitation projects. Considering donor heterogeneity in the results, the treatment effects seem to be driven primarily by multilateral aid.

Our study contributes to the literature on the relationship between aid and health outcomes. To our knowledge, it is the first to use geocoded multi-donor aid data allowing for disaggregated analysis of the local effects of aid on impaired child growth in Africa.

Several earlier studies analyze the relationship between aid and various health outcomes (e.g., infant mortality, maternal mortality, life expectancy) at country level. Some report a positive effect of aid (Arndt et al., 2015; Chauvet et al., 2013; Feeney & Ouattara, 2013;

Gormanee et al., 2005; Gyimah-Brempong, 2015; Mishra & Newhouse, 2009; Pickbourn & Ndikumana, 2019; Taylor et al., 2013; Yogo & Mallaye, 2015), some find no relationship (Kizhakethalackal et al., 2013; Kosack & Tobin, 2006; Mukherjee & Kizhakkethalackal, 2013; Williamson, 2008; Wilson, 2011), and yet others find that the relationship depends on policy environment (Farag et al., 2013; Fielding, 2011). Two recent country-level studies estimate the impact of nutrition-related aid and agricultural aid on stunting. Khalid et al. (2019) find that interventions addressing immediate determinants of fetal and child nutrition reduce stunting, whereas no such treatment effects are observed for interventions influencing the underlying determinants of nutrition (such as water, sanitation and schooling). Mary et al. (2020) find moderate treatment effects of agricultural aid and larger effects of food aid.

While useful for uncovering broad patterns, the macro literature on aid effectiveness faces important challenges. First, it is difficult to establish causality. Receiving aid is associated with a multitude of country characteristics – known and unknown – that will tend to influence the estimates when seeking to establish the causal impact of aid (see, e.g., Bräutigam and Knack, 2004). Second, it is common to aggregate over aid flows that are provided for different purposes and thus should have different effects (see the discussion in Clemens et al., 2012 and Bourguignon and Gunning, 2016). Furthermore, the cross-country literature is not able to account for heterogeneity within countries. Many development projects target local development, arguably suggesting that they should be judged against location-specific outcomes (Findley et al., 2011). While (specific forms of) aid may have effects in targeted areas, these effects may not be sufficiently large to be measurable at country level or they may be obscured by omitted variable bias (Dreher and Lohmann, 2015). Against this background, we arguably need a finer lens when studying the effect of aid on child health outcomes.

Our study contributes to the emerging literature evaluating sub-national effects of aid using geo-coded aid and outcome data (e.g., Brazys et al., 2017; Civelli, et al., 2018; Isaksson and Kotsadam, 2018a,b; Dreher et al., 2019; Isaksson 2020; Isaksson and Durevall 2022). A few studies in this strand of literature focus on health outcomes. Odokonyero et al. (2018) find that health aid reduces the number of reported sick days of people living close to aid projects in Uganda. Two studies focus on Malawi. De and Becker (2015) find that health aid reduces workdays lost to illness and that water aid reduces the incidence of diarrhea. Marty et al. (2017) find that aid focusing on health infrastructure and parasitic disease control reduces malaria prevalence and improves self-reported healthcare quality. The above studies have in common that they primarily focus on health outcomes among adults.

To date, the literature evaluating sub-national effects of aid using geo-coded aid and outcome data has seen relatively few attempts to explore the effects of aid on child health. Three papers find that aid helps to reduce infant mortality in the local area (Kotsadam et al., 2018, focusing on ODA to Nigeria; Wayoro and Ndikumana, 2020, focusing on World Bank aid to the Ivory Coast; and Widmer and Zurlinden, 2021, focusing on World Bank aid in a multi-country African sample). Rustad et al. (2020) study wasting, i.e., children being too thin for their height. Their results, based on a sample consisting of respondents from 16 African countries, suggest that aid helps reduce weight loss due to drought, but has little effect during normal meteorological conditions. Although both wasting and stunting are forms of malnutrition, they capture different conditions. Wasting is a marker of acute undernutrition, often indicating recent and severe weight loss. Stunting, on the other hand, captures linear growth faltering resulting from chronic or recurrent undernutrition due to inadequate dietary intakes and disease-related nutrient loss (Wright et al., 2021).<sup>†</sup> Hence, unlike Rustad et al., who consider whether aid helps to mitigate acute weight loss due to shocks, we investigate whether aid can help prevent the largely irreversible consequences of impaired child growth due to prolonged poor dietary and health conditions.

The following section provides a brief background to stunting and its drivers, with a focus on Malawi. In Section 3 we describe the data and the empirical strategy and in Section 4 we present the main results, robustness tests and the analysis of mechanisms. Section 5 concludes the paper.

## **2 Child malnutrition and stunting in Malawi**

Malawi is one of the poorest countries in the world, and with an estimated 35 percent of children under 5 suffering from stunting (UNICEF, 2022), it is also one of the world's countries most hard hit by child malnutrition. Yet, the last couple of decades have seen large improvements, with stunting rates falling rapidly from over 60 percent in the late 1990s to 37 percent in 2015 (UNICEF 2022), after which progress has slowed. While a downward trend in stunting prevalence is visible in several African countries, the reasons for the decline are not all clear.

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<sup>†</sup> Indeed, recent evidence suggests that most stunted children have never suffered wasting, and thus that the two conditions may have different causes (Wright et al., 2021). In line with this, Ngwira et al. (2017) find no association between wasting and stunting among Malawian children surveyed in 2010.

Several studies have attempted to determine the drivers of stunting (see Vaivada et al., 2020 and Victora et al., 2021 for recent reviews of the literature), but the findings vary and the relative importance of the variables is uncertain. The fact that proximal determinants, such as maternal nutrition, postnatal diet, disease, and breastfeeding, in turn are affected by more distal factors, such as the socioeconomic status of the household, as well as by intermediate determinants such as access to clean water, makes the analysis challenging. Using data from Malawi, Chilinda et al. (2021), Kumchulesi (2021), and Magagula et al. (2021) find that improvements in household wealth and mother's education seem to be key factors, but several intermediate and proximate factors also matter.

Arguably, the most obvious, and direct, way to reduce stunting is to improve nutrition, and meta studies of randomized controlled trials show that interventions to this effect can work (Christian et al., 2020; Vaivada et al., 2022). Consequently, the government of Malawi has initiated a number of policies to improve nutrition, but there is little evidence that these have worked (Malawi Government, 2006; Ruel-Bergeron et al., 2019). For instance, a large-scale community-based nutrition program was launched in 2014, The Right Foods at the Right Time (SUN, 2022). Christian et al. (2020) provide some evidence that the program reduced wasting, but they find no effect on stunting.

Importantly, though, the aggregate numbers on stunting hide substantial heterogeneity across groups. As in other countries, there is a marked difference between the sexes. In most years of measurement, the prevalence is more than five percentage points, or 15 percent, higher among boys than girls in Malawi (UNICEF, 2022). As may be expected, there are also large differences across socioeconomic groups: in 2015–16, 46 percent of children in households in the lowest wealth quintile were stunted, compared with 24 percent in the highest wealth quintile (DHS 2015–16). Furthermore, there is substantial regional variation, with stunting rates being considerably higher in rural (39 percent) than in urban (25 percent) areas. The differences are even larger at the local level, with some rural districts having stunting rates of over 50 percent (Christian et al., 2020).

Finally, there is ample evidence that the incidence of stunting varies with the age of the child (Magagula et al., 2021; Victora et al., 2021; Wright et al., 2021). The first 1,000 days of life, referring to the time spanning roughly between conception and the child's second birthday, are generally viewed as especially critical (UNICEF, 2013; WHO, 2015). The share of children with low birthweight is larger in poor than in wealthier countries. However, the main difference



in stunting is not due to low birth weight but rather to growth failures during the 24 months that follow (Victora et al., 2021). Magagula et al. (2021) find support for this pattern in DHS data from Malawi. Thus, pre-natal interventions and interventions focusing on children in their first two years of life are likely to have a stronger impact than those affecting older children.

### 3 Data and empirical strategy

To estimate the local effects of aid on child growth in Malawi, we geographically match spatial data on aid projects in Malawi spanning the period 1998–2016,<sup>‡</sup> with respondents from four waves of the DHS survey (2000, 2004–5, 2010, 2015–16). The aid project database is from AidData and includes information from 30 donor agencies, representing about 80 percent of the total external assistance to Malawi reported to the government 2000–2011 (Peratsakis et al., 2012). It contains latitude and longitude project coordinates, and information about the precision of the location identified (AidData Research and Evaluation Unit, 2017). Restricting the sample to projects with recorded locations coded as corresponding to an exact location or as near an exact location,<sup>§</sup> and with information on project start date, we cover projects from 22 different donors, spread across 778 aid project sites (Table A1 in Appendix).

We use the coordinates of the surveyed DHS clusters<sup>\*\*</sup> to match surveyed children to aid project sites. Specifically, we measure the distance from the cluster center points to the aid project sites and identify the clusters located within a cutoff distance – in the benchmark setup 10 km – of at least one project site. Figure 1 maps the aid projects and the DHS survey clusters across the country.

The DHS children’s data focuses on the children of interviewed women, born in the five years preceding the survey. Our benchmark sample thus consists of 26,604 children under the age of five (0–59 months). The DHS data contains a wealth of information related to the child’s pre- and postnatal care, immunizations, and health, as well as information on their mothers. Most relevant for our purposes, it contains detailed anthropometric, i.e., height and weight, data. This allows us to compute sex- and age-standardized height-for-age z-scores (HAZ scores), giving the number of standard deviations by which the observed child’s height-for-age

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<sup>‡</sup> Referring to the earliest recorded start year and the latest recorded end year among the projects in our sample. The dataset is from 2012, so end dates after that refer to planned date of completion.

<sup>§</sup> Precision categories 1 and 2 in Strandow et al. (2011).

<sup>\*\*</sup> The primary sampling unit in the DHS (usually based on census enumeration areas), often villages in rural areas or city blocks in urban areas (Burgert et al., 2013).

differs from the mean in a reference population, here the WHO Child Growth Standards.<sup>††</sup> The HAZ score enables comparison of an individual child with a growth standard derived from a healthy population living under optimal growth conditions (for variable definitions and summary statistics, see Tables A2 and A3 in the Appendix).

Our main dependent variable is a dummy indicating whether the child is stunted, defined as having a height-for-age that is more than two standard deviations below the mean of the reference population ( $HAZ \leq -2$ ). To get a sense of the variation among the most vulnerable children, we also consider a measure of extreme stunting, defined as having a height-for-age that is more than three standard deviations below the reference mean ( $HAZ \leq -3$ ). Finally, to capture variation along the full child growth spectrum as opposed to merely around the above cutoffs, we also consider the continuous HAZ score. This is important, considering that any specific cutoff point, while facilitating comparisons, will inevitably be arbitrary. In practice, the risk of undesirable outcomes for the child does not change drastically when crossing the cutoff point. There are not two distinct populations – one well-nourished and the other malnourished. On the contrary, it has been shown that associations between linear growth faltering and risk of death or poor cognitive outcomes exist along a HAZ continuum, without a notable inflection point at  $-2$  SD (for a review of the evidence, see Perumal et al., 2018).

Trying different outcome measures is also useful for reliability purposes. In the reference population, the HAZ score is by construction normally distributed, with a mean of zero and a standard deviation of one. In our sample, the HAZ score variable has a mean of  $-1.76$  and a standard deviation of  $1.6$  (see Table A3). In a developing country context, a lower mean and a higher standard deviation is to be expected due to widespread poverty and socio-economic inequalities. A high standard deviation could, however, reflect overdispersion, or measurement error, making country comparisons of stunting rates based on specific cutoffs less reliable (Ghosh et al., 2020).<sup>‡‡</sup> While the focus in this paper is on within-country variation, it nonetheless seems reasonable to assess the sensitivity of results to using various stunting thresholds as well as to measuring the deficit in height-for-age along a continuous scale.

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<sup>††</sup> We use the Stata function `Zanthro` (Vidmar et al., 2004 and 2013) to compute HAZ scores, based on the WHO Child Growth Standards. The WHO Child Growth Standards are in turn based on the WHO Multicentre Growth Reference Study (MGRS), which collected primary growth data from approximately 8500 children from widely different ethnic backgrounds and cultural settings (Brazil, Ghana, India, Norway, Oman and the USA) between 1997 and 2003. The study was designed to provide data describing how children should grow, i.e., prescriptive standards for normal growth, as opposed to simply descriptive references, and thus included certain recommended health behaviors (breastfeeding, adherence to MGRS feeding recommendations, absence of maternal smoking etc.) as selection criteria. For more information about the MGRS, see de Onis et al. (2004).

<sup>‡‡</sup> To capture extreme data entry errors, any HAZ scores with absolute values equal to or greater than 5 (that is, 5 standard deviations or more away from the mean) are by default set to missing.

We intend our main explanatory variable to capture aid exposure, or treatment, during a critical period in the child's early life. In the benchmark specification, we classify children as treated if they were born in the same year or up to 3 years after the start of a project located within 10 km of the survey cluster, which applies to 26 percent of our sample (see Table A3). Thus, we classify the remaining 74 percent – children born before a project started, 4 or more years after a project started, or in an area without a project – as untreated. How to define treatment is not obvious, however, and involves making assumptions about effect onset and duration as well as the geographical reach of the potential effect. With respect to the former, stunting often begins in utero. As mentioned, the first 1,000 days of life – the time spanning roughly between conception and the child's second birthday – are generally viewed as especially critical. Impaired growth during this period risks having irreversible functional consequences for the child in later life (UNICEF, 2013; WHO, 2015). Although accelerated growth can take place at later stages in life, this time span has been identified as the most crucial window of opportunity for interventions (Georgiadis and Penny, 2017). Against this background, we ideally want to define treatment as aid exposure from conception until age 2. This, however, requires information about when the benefits of a project actually set in; the recorded project start dates capture the start of project implementation, not the actual start of service or infrastructure delivery. Moreover, the relevant time lag from the start of project implementation to when project benefits reach children and pregnant women, as well as for how long project benefits last, is likely to differ considerably across different types of projects.

Considering these unknowns, we take care to evaluate effect onset and duration (see Section 4.2). Thus, in addition to estimations using our benchmark treatment dummy for being born 0–3 years after project start, we run estimations where we include separate dummies for being born in the same year as project start, as well as 1, 2, 3, 4, and 5 years thereafter, respectively.

Similarly, we are admittedly agnostic when it comes to the geographical reach of aid project benefits. These should vary considerably depending on the type of aid project. The appropriate cutoff distance from a project – within which we classify a child as treated – is a trade-off between noise and size of the treatment group. With a too short cutoff distance, we get a small sample of children linked to project sites. In contrast, a too large cutoff distance would include too many untreated children in the treatment group, leading to attenuation bias. We treat this too as an empirical question and test distances between 5 and 50 km (see Section 4.8). Due to the density of aid projects in Malawi, implying that nearly all surveyed children

were exposed to (a multitude of) ongoing aid projects within the cutoff distance when using wider cutoffs, we are not able to explore distances beyond that.<sup>§§</sup>

In the benchmark setup, our treatment variable captures exposure to any aid project starting 0–3 years before the child was born. In other estimations, we break down our treatment dummy into multiple indicators depending on 1) the number of years from project start to the birth of the child, 2) the number of projects satisfying the treatment criterion within the cutoff distance, 3) the sectoral division of projects, and 4) the donor in focus.

### 3.1 Identification

Just like the distribution of aid across countries, the distribution of aid within countries is not random, implying that some individuals and sub-national areas, with certain characteristics, will be more likely than others to receive aid. In the best of worlds, donors may allocate aid to subnational areas in particular need, i.e., with higher malnutrition and worse health conditions to begin with, in which case our estimated aid parameter would be biased downward. Another possibility is that donors allocate aid to areas that are easier to reach in terms of pre-existing infrastructures. If children have more favorable living conditions in these areas, this will bias our estimated aid parameter upward. In sum, we need to account for selection.

To identify the effect of aid, we rely on spatial and temporal variation in aid project coverage and survey rollout, coupled with variation in birth years in relation to project start. We start from the full sample and then narrow down the control group in steps to ensure comparability with our treatment group. Our benchmark specification takes the form:

$$Y_{ivt} = \beta \text{Child Treated}_{ivt} + \alpha_{at} + \gamma \cdot \mathbf{X}_{ivt} + \varepsilon_{ivt} \quad (1)$$

where the child growth outcome  $Y$  (stunting, severe stunting or the continuous HAZ-score) of child  $i$  in cluster  $v$  at year  $t$  is regressed on the treatment dummy *Child Treated* indicating if the child was born within 0–3 years of the start of a project within 10 km of the survey cluster;  $\alpha$  is area-by-survey-year fixed effect (146 district-by-survey-year or 272 grid-cell-by-survey-year fixed effects); and  $\mathbf{X}$  is a vector of control variables (dummies for the child’s age in years, for being a girl, for being a twin and for living in an urban area, and dummies for the ethnic

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<sup>§§</sup> Sixty-seven percent of the surveyed children live within 50 km of a project that started 0–3 years prior to their birth, and 92 percent are exposed to an ongoing project within the same cutoff distance at the time of the survey. If considering, say, a 75 km cutoff distance, the corresponding figures are 69 and 98 percent, respectively.

group and religious affiliation of the mother). The error term  $\varepsilon_{iat}$  is clustered at the geographical survey clusters.

Cluster-level variation in treatment depends on whether, and when, the area was selected as an aid project site, and at what point in time relative to project start the area was surveyed by the DHS. In addition, child-level variation in treatment status depends on when the child was born in relation to project start.<sup>\*\*\*</sup> Given these sources of variation, and comparing within relatively small area units, we argue that treatment should be near exogenous, and thus that we are in a fairly good position to interpret our estimated treatment effect causally.

Hence, in a first step we run full sample estimations, relying on 146 district-by-year or 272 grid-cell-by-year fixed effects to capture unobserved factors giving differences in average child growth as well as in child growth trends across area units. Considering that Malawi is a relatively small country in terms of area, and that it is divided into 26 district units, the district-by-year fixed effects should arguably do quite a good job at controlling for unobserved factors giving systematic sub-national variation in aid and child growth levels and trends. However, while some unobserved determinants of child nutritional status are likely to vary across sub-national administrative units (consider factors to do with local institutions, policy, and infrastructure), others (consider, e.g., local weather conditions and how conducive local lands are to farming) will not necessarily depend on administrative borders. To control for systematic sub-national variation at a greater level of detail, and independently of administrative borders, we next control for 272 55x55 km grid-cell-by-survey-year fixed effects.

In a next step, we restrict the sample to include only “ever-treated” clusters, consisting of survey clusters with a past, present, or future aid project within 10 km at the time of the survey. Here, we utilize the fact that many clusters surveyed in the early waves were not exposed to any projects at the time, but we know that a project would start in the area later, and that other clusters have had aid projects implemented earlier but too far back in time to be relevant for treatment according to our definition. Hence, to minimize bias from systematic selection of aid

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<sup>\*\*\*</sup> To illustrate, consider a cluster surveyed in 2010, covering children born 2006–2010. If there was a project that started in 2002 or earlier within 10 km, none of the children in the cluster were treated, according to our definition. Likewise, if the cluster lacked exposure to a project at the time of the survey, but we know that a project was going to start later, none of the children were treated. If, on the other hand, there was a project that started in 2006 within 10 km, children born 2006–2009 were treated and children born in 2010 were untreated. If the cluster instead was exposed to a project that started in 2008, then children born 2008–2010 were classified as treated, whereas children born 2006–2007 were untreated. If the cluster was exposed to multiple projects, say one starting in 2003 and one starting in 2009, children born in 2006, 2009, and 2010 were treated, whereas children born 2007–2008 were untreated.

project sites, we compare only children living in areas that donors and the government, at one point or another, have deemed suitable for aid project localization.

To further enhance comparability of the treatment and control groups, we restrict the sample to children born within a specified time window before or after project start. Considering that Malawi is a small and aid-dependent country, limiting the sample to children living in areas targeted by aid projects at one point or another is not very restrictive. In fact, it applies to 76 percent of the full estimation sample (see Table A3). Within this sub-sample there are children born up to roughly 15 years before or after the start of the first nearby project. Hence, in these estimations we trim the sample even further to include only our treatment group – i.e., children born 0–3 years after project start – and a comparison group consisting of children instead born 2–4 years prior to project start.<sup>+++</sup> We choose this particular time span to minimize contamination of the control group while maintaining comparability across the two groups. Considering that children born just before project start will to some extent also be exposed to the aid project (albeit at a later, less critical age), we do not include children born one year ahead of project start in the comparison group. Since growth impairment during the first 1,000 days of life is commonly suggested to be particularly critical for long-term development (WHO, 2015), we instead focus on children born 2–4 years before projects start.<sup>+++</sup> Furthermore, to ensure common support across the two groups in terms of birth years, we restrict the sample to children born 1998–2008.

Next, we carry out additional estimations relying on sub-samples with variation in treatment status within clusters and across siblings within households, including cluster-by-year fixed effects and mother fixed effects, respectively. Finally, to ensure that treated and untreated children are balanced on key covariates, we use coarsened exact matching (CEM) and run estimations based on a matched sample.

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<sup>+++</sup> Since some children have more than one project within the cutoff distance, and this exercise requires us to tie children to the start of a specific aid project, these estimations focus on being born before and after the first aid project starting in the area.

<sup>+++</sup> Using a comparison group consisting of children born 3–4 years before project start gives very similar results.

## 4 Results

In this section, we present the results of our empirical estimations to investigate the local effects of aid on child growth in Malawi. We begin with our main findings, focusing on stunting, severe stunting, and the continuous HAZ score, respectively. Next, we examine when the observed treatment effect kicks in and for how long it lasts, how it varies with treatment intensity, what types of aid projects stand out as more (and less) important for child growth, and heterogeneity across donors. Finally, we evaluate the robustness and heterogeneity of the estimated effects, as well as possible mechanisms underlying the results.

### 4.1 Main results

The results consistently suggest that aid exposure reduces the child's probability of impaired growth. Table 1 presents the results of estimations focusing on the impact of treatment – i.e., the child being born 0–3 years after the start of an aid project within 10 km – on stunting (HAZ score  $\leq -2$  SD, see panel A) and severe stunting (HAZ score  $\leq -3$  SD, see panel B). The estimation in column 1 is included merely as a point of reference. It includes only individual controls and survey year fixed effects and hence does not adequately control for systematic selection of aid project sites. Nonetheless, we can note that the coefficient on our treatment variable is negative and statistically significant, implying that children exposed to aid in their first years of life are less likely to be stunted. Accounting for unobserved variation across time and space (columns 2–3), the estimated effect of aid exposure remains stable. Panel A in Table 1 shows that in the full sample, a child born 0–3 years after the start of the local project is close to 2 percentage points less likely to be stunted.

In columns 4–5, we present the results of estimations based on a sample consisting only of survey clusters with a past, present, or future aid project within 10 km at the time of the survey. The estimated treatment effect, if anything, becomes more pronounced. Furthermore, the estimated parameter again remains stable to using the more detailed grid-cell-by-survey-year fixed effects. Hence, even if limiting the comparison to children in areas that have been selected for aid projects and controlling for sub-national variation in average levels of impaired growth over time, children born within 3 years of the start of a local aid project are significantly less likely to be stunted.

In columns 6 and 7, we trim the sample even further to include only our treatment group – i.e., children born 0–3 years after project start – and a comparison group consisting of children

born 2–4 years prior to project start. Hence, in the interest of comparability, we do not restrict the sample only to areas targeted by aid projects, but also to children born within a specified time window before or after project start. The resulting treatment effects are approximately three times the size of those observed for the full sample; treated children are around 6 percentage points less likely to be stunted.

The results for severe stunting (Panel B) are very similar: aid exposure involves an approximate 2-4 percentage point lower probability of being severely stunted. While no total game changer, these effects are clearly not negligible.

Stunting is a common and easy-to-interpret measure of child growth impairment. However, classifying a child as stunted if their HAZ score falls below a certain critical value inevitably involves some arbitrariness. Moreover, the resulting dichotomous variable hides substantial variation. In Table 2, we instead focus on the continuous HAZ score variable, thus capturing child growth variation along the whole spectrum.

The results correspond to those for stunting, consistently indicating a positive impact of aid exposure on child growth. The estimated effect size ranges from around 4 to 16 percent of a standard deviation. Again, accounting for unobserved variation across time and space, and restricting the sample to aid targeted areas and to children born within a specified time window ahead or after project start makes the estimated effect more pronounced.

The fact that the more we narrow down the comparison group and account for unobserved variation across time and space the more pronounced the estimated coefficient on aid exposure generally becomes suggests that selection effects work against rather than inflate the treatment effect. Or for that matter, that noise attenuates the effect in full sample estimations without appropriate controls for unobserved variation.

## **4.2 Effect onset and duration**

Next, we explore when the observed treatment effect kicks in and for how long it lasts. For the sake of brevity, we present only the results for the continuous HAZ score variable in Figure 2, and the corresponding results for stunting and severe stunting in the appendix (Figures A1 and A2). The estimates are based on a regression (equivalent to column 3 in Tables 1–2) where, instead of a dummy for being born 0–3 years after project start, we include separate dummies for being born in the same year as project start, as well as 1, 2, 3, 4, and 5 years after project start. For comparison, we also include a dummy for being born 2–4 years before project start. As expected, this dummy is not statistically different from zero for any of the outcome



variables.

Focusing on the continuous HAZ score (Figure 2), where we have most variation, the positive treatment effect is visible already at the year of project start, but it becomes more pronounced 1–3 years after project start. Four to five years after project start, the effect fades away. For stunting (Figure A1), we get a statistically significant treatment effect for children born 1–3 years after project start, and for severe stunting (Figure A2) for children born 2 years after project start.

Taken together, the positive treatment effects of local aid projects on child growth thus materialize already for children born in the early project implementation phase and remain for children born up until around 3 years after project start. After that, however, we do not observe any statistically significant aid effects. This could indicate that the observed treatment effects are not permanent, but it could also reflect that the further away from a project start we get, the more the noise obscures the potential effect.

### **4.3 Treatment intensity**

Our benchmark treatment variable is a dichotomous indicator that simply captures exposure to an aid project that started 0–3 years prior to a child’s birth within a 10 km cutoff distance. Some children, however, have been exposed to multiple projects during early life (see Table A3). The estimation in Figure 3, focusing on the HAZ score, breaks our treatment into five categories, including dummies for having 1, 2, 3, 4, and, finally, 5 or more projects fitting the treatment criteria. Again, we present the corresponding results for stunting and severe stunting, which are very similar, in the appendix (Figures A3 and A4).

We can note that the estimated effect of living near three or four projects fitting the treatment criteria is larger than that of living near one. The treatment effect of the former is more than three times the size of the latter (0.21–0.22 vs. 0.06).<sup>§§§</sup> That being said, the results suggest no simple linear effect of the number of projects on our outcome variables of interest. Specifically, we observe no statistically significant effect of living within the cutoff distance of two projects fitting the treatment criteria or of living near many (five or more) such projects. The latter is likely a result of it being difficult to identify the impact of aid exposure in areas with a multitude of past and present aid projects.

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<sup>§§§</sup> The difference between being exposed to three and being exposed to one project is statistically significant at conventional levels and the difference between four and one is statistically significant at the 10 percent level.

#### **4.4 Breaking down aid projects by sector**

In a next step, we explore what types of aid projects drive the observed treatment effect. Table A4 summarizes the number of project sites by sector. The estimation results in Figure 4, again focusing on the HAZ score, come from a regression where we break down our treatment variable into nine dummies for being exposed to aid from specific sectors, focusing on rural areas.<sup>\*\*\*\*</sup> We can note that the estimated effects of rural development and infrastructure projects come out statistically significant. For stunting (Figure A5), none of the sector specific treatment variables have statistically significant parameters, but infrastructure and vulnerability are borderline cases. Focusing on severe stunting (Figure A6), however, rural development, vulnerability, infrastructure, and education projects all bring lower stunting levels (statistically significant at conventional levels).

Although the results are not clear cut, they provide some evidence of a heterogenous effect. To the extent that rural development and vulnerability projects target the poorest and involve social protection systems to help the poor meet basic consumption needs, these too should have an important role to play. Furthermore, more educated/informed parents should be better able to seek health care, read informational materials, and comprehend health education through mass media. Infrastructure, finally, connects people with markets, thus facilitating both employment and basic consumption.

On the other hand, we observe no statistically significant effects of health, water and sanitation, and agricultural projects (for the latter, the estimated effect on the HAZ score is, if anything, negative). Considering that infectious diseases are important determinants of stunting (WHO, 2018), the role of maternal care and child health services for early child development, and the role of agriculture for food security, this is somewhat surprising. In Section 4.9, we discuss possible mechanisms further.

#### **4.5 Comparing bilateral and multilateral aid**

So far, we have considered all aid projects, irrespective of donor. Reasonably, however, there is donor heterogeneity in results. In particular, multilateral aid is often characterized as being

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<sup>\*\*\*\*</sup> Because of the great number of closely located projects often found in urban areas, making it difficult to single out the impact of specific projects, these estimations focus on rural areas alone.

relatively more focused on supporting development outcomes, while bilateral aid is seen as more likely to be allocated based on donors' strategic interests (for an overview, see Biscaye et al., 2017).

The estimations in Table 3 compare the effects of being born 0–3 years after the start of a bilateral and a multilateral project. In line with the above characterization, the results suggest that multilateral aid drives our treatment effect. Whereas the parameter on the bilateral treatment variable is not statistically significant for any of the outcomes, the estimated effect of multilateral aid is statistically significant and larger than that of overall aid in the benchmark setup when focusing on severe stunting and the continuous HAZ score (compare with the estimation in column 3 in Tables 1–2).

Comparing treatment effects across individual donors is difficult, considering that several donors may be present in the same area at the same time, and that the number of projects a donor is involved in differs considerably. In the appendix, we nonetheless present estimations where we break down our treatment indicator into separate dummies for being born 0–3 years after the start of projects of specific donors. In particular, we consider donors with at least 50 recorded project sites in Malawi (namely, the European Union, the World Bank and the African Development Bank among the multilateral donors, and Germany, Norway, and the UK among the bilateral donors as well as an “other” category capturing the remaining donors, see Table A1). Bearing in mind the difficulty of attributing impacts to specific donors, Table A5 suggests that the positive impacts on child growth are primarily driven by the World Bank and EU projects.

#### **4.6 Relying on within-cluster and within-household variation**

In the benchmark setup, treatment status depends on two sources of variation: cluster-level variation in aid coverage (if and when an area has been selected as an aid project site, as well as at what point in time, relative to project start, the area was surveyed by the DHS), and child-level variation in year of birth in relation to project start. In most survey clusters, there is no variation in treatment status. In 31 percent of the clusters, however, we have observations for both treated and untreated children, allowing us to focus on within-cluster variation.

In Table A6 we present estimations including 2,252 cluster-by-survey-year dummies, meaning that we rely exclusively on variation in child year of birth in relation to project start

in clusters that currently are or recently have been exposed to a local aid project.<sup>††††</sup> This specification is demanding. To begin with, we control for cluster-level variation that is likely to depend on local aid exposure. Moreover, the distinction between treated and untreated children within an aid-exposed cluster is inevitably somewhat fuzzy (children born, say, 4 years after or 1 year before a project start would also have been exposed to aid, albeit at a less critical age), which should drive the difference between the two groups toward zero. One could even argue that what we capture in this specification is variation in treatment intensity – whether the child is exposed to aid at a critical age – rather than a comparison between treated and untreated children. With this in mind, it is noteworthy that the estimated coefficients in this setup are in line with the benchmark results, and that we still find a statistically significant effect of treatment on severe stunting.

Indeed, even if we use mother fixed effects, meaning that we compare treated and untreated siblings within families, the treatment effect for stunting and severe stunting comes out nearly statistically significant at the 10 percent level ( $p=0.10$  and  $p=0.11$ , respectively, see Table A7). This specification requires variation within families, i.e., that mothers have at least two children under age 5 with differing treatment status. Considering that this applies only to a small subsample (approximately 10 percent of the benchmark sample), and again taking into account the likely contamination of supposedly untreated children within the same family, which should bias the treatment effect toward zero, this is notable.

#### **4.7 Using coarsened exact matching**

Furthermore, the treatment effect is robust to using coarsened exact matching (CEM) rather than relying on spatial and temporal variation in a regression framework (Table A8). The key goal of matching is to prune observations from the sample so that the remaining data have better balance between the treated and control groups. The basic idea of CEM, specifically, is to temporarily coarsen the data into substantively meaningful groups, then use exact matching on these coarsened data, and finally run the analysis on the original un-coarsened data for the matched sample (Iacus et al., 2012). While the approach is no magic bullet in terms of causal identification, it has the advantage that it makes the potential lack of common support, or overlap in terms of covariates, between treatment and control group explicit (Isaksson, 2017).

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<sup>††††</sup> Considering the density of projects and likely contamination of the control group in urban areas, these estimations focus on the rural sample.

Using matching, we thus avoid drawing conclusions based on unreasonable extrapolations.

In particular, the procedure allows us to match on both child age, child year of birth and survey year. While all these variables likely carry substantive information, collinearity prevents us from controlling for them jointly in our standard regression framework. Reassuringly, comparing treatment and control cases that are matched exactly on district, urban residence, the child's sex, age in years, year of birth, and on interview years coarsened by survey wave,<sup>††††</sup> the treatment effect remains unchanged.

#### 4.8 Further checks of heterogeneity and robustness

In the benchmark setup, we define children born 0–3 years after the start of an aid project within 10 km as treated. The geographical cutoff is admittedly somewhat arbitrary. How far from project sites that children will experience its potential rewards is essentially an empirical question. Figures A7–A9 summarize the results of estimations using alternative distance cutoffs to define treatment. We can note that the results remain stable when using a 10–50 km cutoff, and that the estimated effect is similar, but less precisely estimated, when using a 5 km cutoff. Due to the density of aid projects in Malawi, implying that nearly all surveyed children have (a multitude of) ongoing aid projects within the cutoff distance when using wider cutoffs, we are not able to explore when the effect fades.<sup>§§§§</sup>

So far, we have considered an average treatment effect of aid on child growth, disregarding potential treatment effect variation across socio-economic groups. Reasonably, however, aid exposure matters more for children in vulnerable groups. Table A9 presents results of estimations where we let the treatment effect vary across urban/rural residence, and with the socio-economic status and age of the mother.<sup>\*\*\*\*\*</sup> The treatment effect comes out statistically significant in rural but not in urban areas.<sup>†††††</sup> This likely reflects that child malnutrition is more widespread in rural areas but could also be due to the density of ongoing and past projects and

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<sup>††††</sup> Ethnicity, religion, and whether the child is a twin we instead control for in the regression on the matched observations, where we also control for the un-coarsened interview year indicator.

<sup>§§§§</sup> 67 percent of the surveyed children live within a 50 km cutoff distance of a project that started 0–3 years prior to their birth, and 92 percent have an ongoing project within the same cutoff at the time of the survey. If we increase the cutoff to, say, 75 km, the corresponding figures are 69 and 98 percent.

<sup>\*\*\*\*\*</sup> In particular, we interact the treatment dummy with a rural dummy, with a dummy for belonging to the two poorest wealth quintiles, with a dummy for the mother having less than the median number of years of education (<4), and with a dummy for the mother being younger than 20 years old when she gave birth to the child in question.

<sup>†††††</sup> Focusing on severe stunting, the treatment effect actually has the opposite sign in urban areas. However, considering the density of ongoing and past projects and likely spillover effects in urban areas, these results should not be given too much weight.

likely spillover effects in urban areas, leaving us without a clear comparison group in the urban setting.

Along the other dimensions considered, there is little indication of marked treatment effect heterogeneity; in most cases, the inclusion of an interaction term renders the parameters of both the treatment dummy and the concerned interaction term statistically insignificant. That said, considering parameter heterogeneity with respect to the age and level of education of the mother, there are some signs that the observed treatment effect is more pronounced in particularly vulnerable groups. In particular, the observed treatment effect comes out statistically significant only among children of young mothers when focusing on stunting and the continuous HAZ score, and only among mothers with little or no education when focusing on severe stunting.

#### 4.9 Mechanisms

In our baseline setup we include only control variables that can be judged as reasonably exogenous with respect to our treatment. That is, we do not control for variables that are themselves likely to be affected by aid exposure. However, to get a picture of the mechanisms underlying the observed results, we here include factors commonly suggested to affect stunting as right-hand-side variables. Table A10 in the appendix reports how the observed treatment effect reacts to the inclusion of possible mechanism candidates. For brevity, we focus on the continuous HAZ score and the ever-treated sample.<sup>\*\*\*\*</sup>

To select relevant stunting determinants (that reasonably also might be affected by aid), we draw on reviews by Vaivada et al. (2020; 2022) and studies on stunting in Malawi.<sup>§§§§</sup> While the reported findings differ somewhat, there is relatively strong evidence that stunting increases with: the mother having a low (<18.5) BMI, teenage motherhood, a small birth size (< 2,500 grams), inappropriate complementary feeding, and diarrhea and other diseases. Likewise, there is relatively strong evidence that stunting decreases with: appropriate antenatal care, exclusive breastfeeding during the first 6 months, birth spacing, use of malaria bed nets,

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<sup>\*\*\*\*</sup> Running equivalent estimations for the full sample or the sample focusing on children born just before and after project start, does not change the interpretation of the results. As in the baseline setup, the treatment effect is most pronounced and precisely estimated in the narrow comparison between children born before and after treatment. Hence, whereas the full sample treatment effect becomes somewhat smaller and less precisely estimated when including the mechanism candidates, the treatment effect in the narrow before/after sample remains stable and highly statistically significant throughout.

<sup>§§§§</sup> The following studies on stunting use data from Malawi: Espo et al. (2002), Kuchenbecker et al. (2015), Makoka and Masibo (2015), Christian et al. (2020), Chilinda et al. (2021) Kumchulesi (2015; 2021), and Magagula et al. (2021).

the caregiver’s educational attainment, household wealth, and access to piped water and improved sanitation. Although nutrition is obviously important, the results of interventions are, as mentioned, mixed (Khalid, Gill and Fox, 2019; Christian et al., 2020; Vaivada et al., 2022).

Against this background, we estimate models where we control for those of the above factors for which data are available in the DHSs.<sup>\*\*\*\*\*</sup> We use the same specification as in column 4 in Table 2, which includes baseline controls and district-by-year fixed effects.

To begin with, we note that all the included mechanism candidates are statistically significant and of the expected sign, suggesting that they are indeed relevant for child growth. Still, our estimated treatment effect remains stable to their inclusion, except in a couple of cases.

Controlling for household wealth, the observed treatment effect shrinks from 0.085 to 0.060 and is less precisely estimated (Columns 1 and 2). Hence, in line with Khomba and Trew (2022), who find that local aid in Malawi increases nighttime light – a proxy for growth in per capita consumption – a candidate mechanism could be increased wealth in aid exposed households. While arguably surprising that wealth does not absorb the observed treatment effect to a larger extent, this is in fact in line with the results of Brown et al. (2019), who find that undernourished women and children are spread widely across socio-economic groups in Sub-Saharan Africa. Instead, they point to the importance of common health risks related to, for example, sanitation and maternal health.

Access to piped water and toilet facilities, as well as the time to fetch water, indeed have statistically significant parameters of the expected sign, suggesting that they are relevant determinants for child growth (Column 3-5). Yet, the impact on the treatment effect is negligible even though all three variables are correlated with wealth.

While treatment – the child being born 0-3 years after project start – is unlikely to affect the education of the individual mother, aid may affect behavior, that is, when a girl or young woman gets pregnant. Thus, it may make girls postpone having children until they finish school, meaning that young mothers on average will be more educated. Even so, controlling for the education of the mother (Column 6), the treatment effect remains relatively stable. The treatment effect is also only marginally affected by the inclusion of teenage births (Column 7), and controlling for birth spacing (Column 8), though it is less precisely estimated in the latter case. Completing at least four visits to antenatal clinics also reduces the risk of stunting but, if anything, seems to increase the positive effect of treatment (Column 9).

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<sup>\*\*\*\*\*</sup> Due to paucity of data, we do not evaluate inappropriate complementary feeding and optimal breastfeeding.

Next, we account for a number of nutrition and health status variables. Controlling for low BMI of the mother and low birth weight of the child (Column 10-11), the observed treatment effect again remains relatively stable and clearly significant. The same holds when accounting for the child having recent experiences with diarrhea (Column 12).

The mechanism candidate that stands out as most relevant is the variable indicating if the child slept under a bed-net last night (Column 13). Controlling for bed-net use, the point estimate for the treatment effect is only 0.03 and no longer statistically significant (it remains statistically significant, but smaller, in the restricted sample focusing on children born just before and after project start). Hence, aid helping families to afford preventive measures against malaria is a possible mechanism underlying the observed treatment effect. This finding is consistent with Marty et al. (2017) who, using data on local aid in Malawi, reported a negative effect of aid on the prevalence of malaria.

## **5 Conclusions**

After decades of progress, the fight against food insecurity has suffered a serious setback in recent years due to climate-related shocks, a pandemic, and a war disrupting global food supply chains. At this point, commentators warn of a global food crisis, clearly threatening progress toward the sustainable development goal of “zero hunger” (The Economist, 2022). In view of these developments, understanding the role of foreign aid in preventing impaired child growth due to chronic malnutrition is crucial.

This paper focuses on stunting in Malawi, a high prevalence country for which we have access to geo-referenced data on aid projects from a broad range of donors. To investigate whether aid projects help to reduce impaired child growth in the local area, we geographically matched spatial data on 778 aid project sites of 22 different donors with anthropometric and background data on 26,604 children under age five. To identify the effect of aid, we relied on spatial and temporal variation in aid project coverage and survey rollout, coupled with variation in childbirth years in relation to project start. To the best of our knowledge, this is the first study to use geocoded multi-donor aid data allowing for disaggregated analysis of the local effects of aid on impaired child growth in Africa.

The empirical results consistently indicate a positive impact of early life aid exposure on child growth. While this result is robust across a broad range of specifications, there is significant treatment effect heterogeneity. In particular, we found that the positive treatment



effects materialize already for children born in the early project implementation phase and last for children born up to 3 years after project start. Ideally, we would of course have liked to see effects lasting for children born later relative to project start. Worth emphasizing, however, for children born within the above time window, aid may have helped to protect against irreversible consequences of stunting that would otherwise have lasted a lifetime. For the cohorts of treated children, effects are thus likely to be long lasting.

Furthermore, the results suggest that treatment effects are driven primarily by multilateral aid and by projects in rural development, vulnerability, infrastructure, and education. While we should acknowledge that projects with a multi-sector focus and the presence of multiple donors in the same area make it difficult to attribute effects to specific donors and sectors, these results nonetheless provide an indication of where to look for best practice examples.

With respect to mechanisms underlying the observed treatment effect, we present a set of estimations where we account for commonly suggested determinants of stunting that may also be affected by aid. While, the estimated treatment effect remains largely unaffected in most cases, a couple of determinants seem to play a role. The candidate that stands out as most relevant is child bed-net use, which is in line with previous findings suggesting that aid has helped to reduce malaria prevalence in Malawi (Marty et al., 2017). Furthermore, the results provide some indication that increased wealth in aid exposed households could help explain the reduction in stunting. Overall, however, accounting for variables related to socio-economic status does little to explain the observed effect of aid on stunting. While arguably surprising, this is in fact in line with results in previous literature suggesting that undernourished children are spread widely across socio-economic groups in Sub-Saharan Africa (Brown et al., 2019).

In sum, the results are encouraging in that they suggest that aid exposure reduces the risk that a child will suffer from stunting and its largely irreversible consequences. While effect sizes were relatively modest, they were also consistent and generally became more pronounced the more we narrowed down the comparison group to account for unobserved variation across time and space. For the analysis of aid effectiveness more broadly, our findings highlight that we can learn from using a disaggregated approach that compares aid impacts across sectors, donors, and locations.

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## Figures and tables

Table 1: The impact of aid exposure on stunting among children aged 0–4. Treatment refers to child being born 0–3 years after project start.

VARIABLES	(1) Year FEs	(2) District-year Fes	(3) Grid-year FEs	(4) Ever-treated sample district-year FEs	(5) Ever-treated sample grid-year FEs	(6) Born before/after sample district-year FEs	(7) Born before/after sample grid-year FEs
<i>Panel A: Dependent variable is Stunting (height-for-age z-score&lt;=2):</i>							
Child treated	-0.017** (0.009)	-0.018** (0.009)	-0.018** (0.009)	-0.025*** (0.010)	-0.022** (0.010)	-0.063*** (0.020)	-0.062*** (0.019)
Constant	0.416*** (0.014)	0.319*** (0.047)	0.378*** (0.021)	0.311*** (0.022)	0.382*** (0.023)	0.210*** (0.037)	0.168*** (0.056)
Observations	26,604	26,604	26,604	20,251	20,251	6,543	6,543
R-squared	0.099	0.106	0.112	0.109	0.115	0.098	0.109
<i>Panel B: Dependent variable is Severe stunting (height-for-age z-score&lt;=3):</i>							
Child treated	-0.016** (0.007)	-0.015** (0.007)	-0.017** (0.007)	-0.019** (0.008)	-0.016** (0.008)	-0.044*** (0.017)	-0.035** (0.018)
Constant	0.258*** (0.013)	0.143*** (0.032)	0.190*** (0.017)	0.150*** (0.018)	0.191*** (0.019)	0.130*** (0.031)	0.202*** (0.049)
Observations	26,604	26,604	26,604	20,251	20,251	6,543	6,543
R-squared	0.063	0.074	0.079	0.077	0.082	0.071	0.078

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . *Child treated* refers to child being born 0–3 years after the start of an aid project within 10 km. All estimations include controls for the child's gender, age in year dummies, whether they are a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area. There are 6 survey years, 26 districts, and 55 grid cells, giving 146 district-by-survey-year FEs and 272 grid-cell-by-survey-year FEs. To ensure common support in terms of birth years, in columns 6–7, where we compare children born 0–3 years after project start to children born 2–4 years prior to project start, we restrict the sample to children born 1998–2008.



Table 2: The impact of aid exposure on height-for-age z-score among children aged 0–4. Treatment refers to child being born 0–3 years after project start.

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Year FEs	District-year Fes	Grid-year FEs	Ever-treated sample district-year FEs	Ever-treated sample grid-year FEs	Born before/after sample district-year FEs	Born before/after sample grid-year FEs
Child treated	0.062** (0.029)	0.060** (0.030)	0.062** (0.030)	0.085** (0.034)	0.073** (0.034)	0.252*** (0.070)	0.255*** (0.068)
Constant	-1.364*** (0.050)	-0.818*** (0.131)	-1.108*** (0.066)	-0.812*** (0.070)	-1.104*** (0.075)	-0.400*** (0.116)	-0.282 (0.239)
Observations	26,604	26,604	26,604	20,251	20,251	6,543	6,543
R-squared	0.136	0.149	0.154	0.149	0.154	0.147	0.159

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated* refers to child being born 0–3 years after the start of an aid project within 10 km. All estimations include controls for the child's gender, age in year dummies, whether they are a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area. There are 6 survey years, 26 districts, and 55 grid cells, giving 146 district-by-survey-year FEs and 272 grid-cell-by-survey-year FEs. To ensure common support in terms of birth years, in columns 6-7, where we compare children born 0-3 years after project start to children born 2-4 years prior to project start, we restrict the sample to children born 1998–2008.

Table 3: Comparing the effects of bilateral and multilateral aid

VARIABLES	(1) Stunting	(2) Severe stunting	(3) HAZ score
<i>Child treated_bilateral aid</i>	-0.011 (0.012)	0.005 (0.009)	-0.036 (0.039)
<i>Child treated_multilateral aid</i>	-0.016 (0.010)	-0.026*** (0.008)	0.100*** (0.034)
Constant	0.378*** (0.021)	0.190*** (0.017)	-1.106*** (0.066)
Observations	26,604	26,604	26,604
R-squared	0.112	0.079	0.154

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . *Child treated\_bilateral aid* refers to child being born 0–3 years after the start of a bilateral aid project within 10 km. *Child treated\_multilateral aid* refers to child being born 0–3 years after the start of a multilateral aid project within 10 km. All estimations include grid-cell-by-survey-year fixed effects and controls for the child's gender, age in year dummies, whether the child is a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area.

Figure 1: Malawi aid project sites and DHS survey clusters

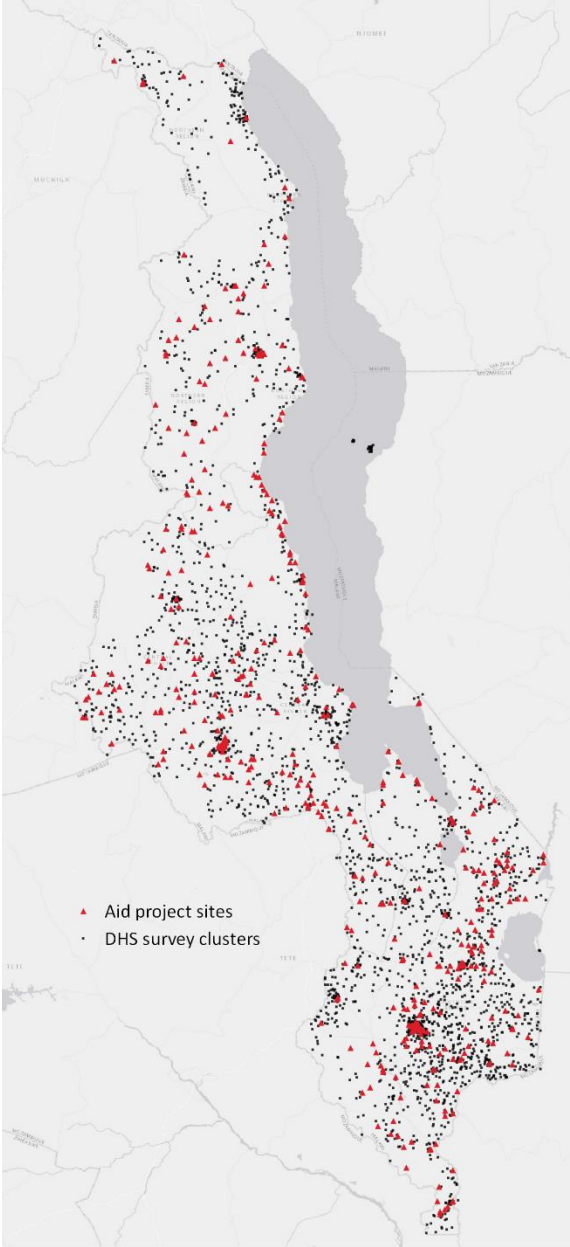
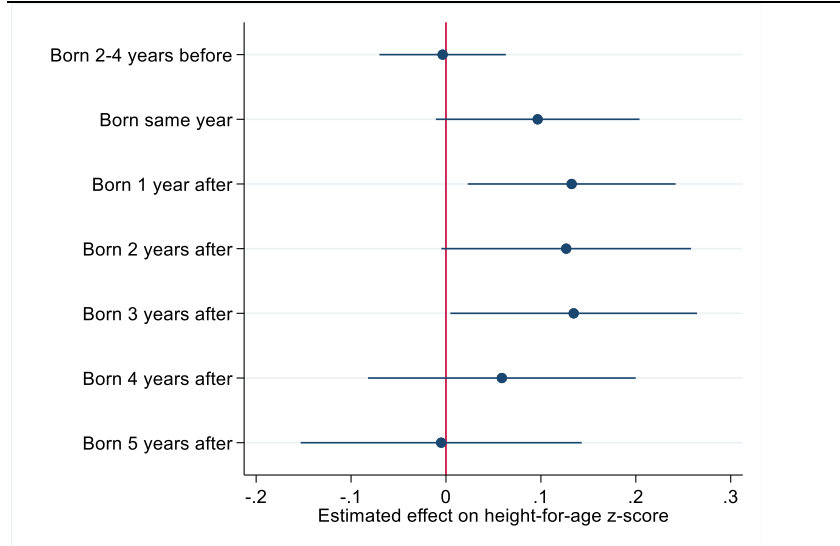
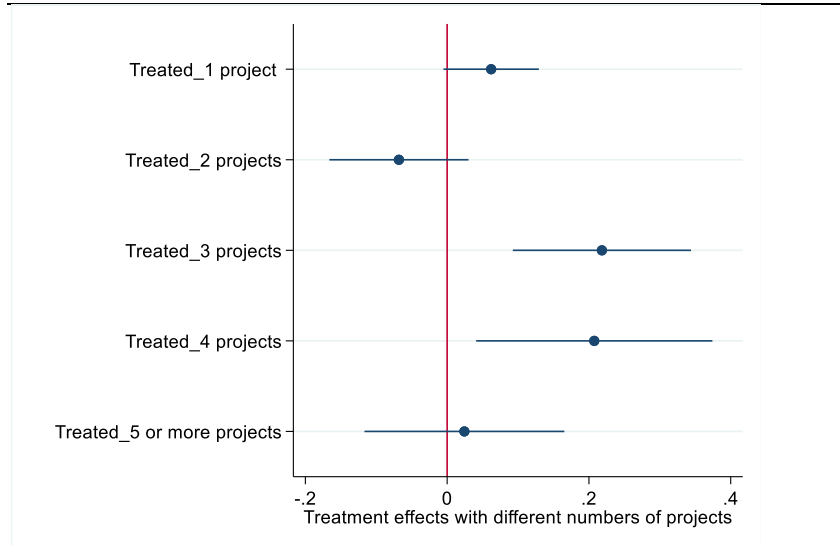


Figure 2: Estimated effect of birth year in relation to year of project start on HAZ score



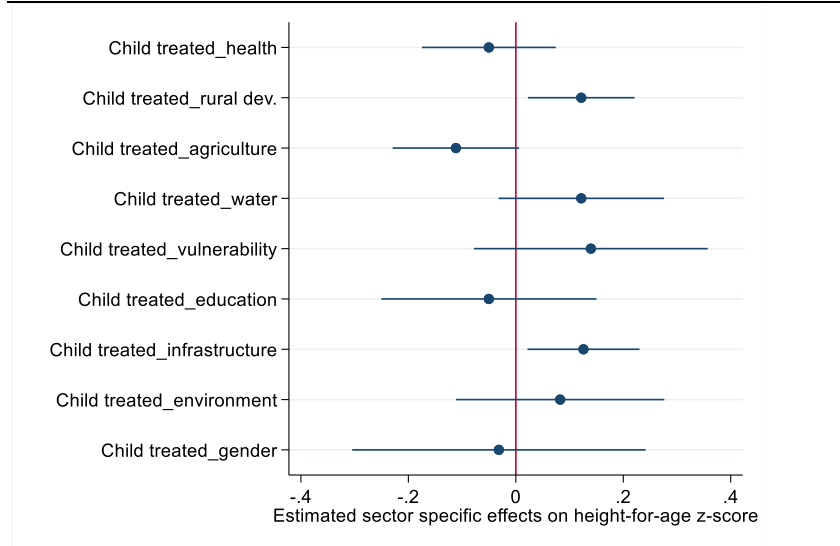
Notes: Point estimates with 95% confidence intervals. Based on full sample estimation with child and household controls and grid-cell-by-survey-year fixed effects. Treatment focuses on children born within X years of the first project starting in the area.

Figure 3: Comparing treatment effects with different numbers of projects starting 0–3 years prior to child’s birth, dependent var. is HAZ score



Notes: Point estimates with 95% confidence intervals; based on estimations including five treatment dummies (for having 1, 2, 3, 4, or 5 or more projects starting 0–3 years prior to child’s birth within the 10 km cut-off), and child and household controls and grid-cell-by-survey-year fixed effects.

Figure 4: Estimated sector specific effects on height-for-age z-score



Notes: Point estimates with 95% confidence intervals; based on rural sample estimation with child and household controls and grid-cell-by-survey-year fixed effects.

## Appendix

Table A1: Donor composition of project sites

Donor	Freq.	Percent	Cum.
African Development Bank (AfDB)	79	10.15	10.15
Arab Bank for Economic Development in..	8	1.03	11.18
Australian Agency for International D..	7	0.90	12.08
European Union (EU)	313	40.23	52.31
Flemish International Cooperation Agency	4	0.51	52.83
German Agency for International Cooperation	53	6.81	59.64
Icelandic International Development A..	6	0.77	60.41
International Fund for Agricultural D..	3	0.39	60.80
Irish Aid	11	1.41	62.21
Japan International Cooperation Agency	1	0.13	62.34
KFW Bankengruppe	2	0.26	62.60
Kuwait Fund	5	0.64	63.24
Norwegian Agency for Development Cooperation	117	15.04	78.28
OPEC Fund	8	1.03	79.31
People's Republic of China	1	0.13	79.43
UK Department for International Development	69	8.87	88.30
UNDP	2	0.26	88.56
UNHCR	2	0.26	88.82
US Agency for International Development	8	1.03	89.85
US Center for Disease Control and Prevention	12	1.54	91.39
World Bank	66	8.48	99.87
World Food Program (WFP)	1	0.13	100.00
Total	778	100.00	

Table A2: Descriptions of key variables

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### Outcome variables

*Height-for-age z-score*: The number of standard deviations by which the observed child's height-for-age (in months) differs from the mean in the WHO Child Growth Standards reference population.

*Stunted*: Dummy variable equal to one if the child's height-for-age is more than two standard deviations below the mean of the reference population ( $HAZ \leq -2$ ), zero otherwise.

*Severely stunted*: Dummy variable equal to one if the child's height-for-age is more than three standard deviations below the mean of the reference population ( $HAZ \leq -3$ ), zero otherwise.

### Variables relating to treatment

*Child treated*: Dummy variable equal to one if the child is born 0–3 years after the start of any aid project within 10 km, zero otherwise

*Child treated\_bilateral aid*: Dummy variable equal to one if the child is born 0–3 years after the start of a bilateral aid project within 10 km, zero otherwise.

*Child treated\_multilateral aid*: Dummy variable equal to one if the child is born 0–3 years after the start of a multilateral aid project within 10 km, zero otherwise.

*Born same year as project start*: Dummy variable equal to one if the child is born in the same year as the start of an aid project within 10 km, zero otherwise.

*Born X years after project start*: Dummy variable equal to one if the child is born X years after the start of an aid project within 10 km, zero otherwise. Separate dummies for being born 1, 2, 3, 4, and 5 years after project start.

*Born 0-3 years after project start*: Dummy variable equal to one if the child is born 0–3 years after the start of an aid project within 10 km, zero otherwise.

*Born 2-4 years ahead of project start*: Dummy variable equal to one if the child is born 2–4 years before the start of an aid project within 10 km, zero otherwise.

*Evertreated cluster*: Dummy variable for child living in a survey cluster that has a past, current or future aid project located within 10 km, zero otherwise.

*Child treated\_health*: Dummy variable equal to one if the child is born 0–3 years after the start of a "Health" aid project within 10 km, zero otherwise.

*Child treated\_rural dev.*: Dummy variable equal to one if the child is born 0–3 years after the start of an "Integrated Rural Development" aid project within 10 km, zero otherwise.

*Child treated\_agriculture*: Dummy variable equal to one if the child is born 0–3 years after the start of an "Agriculture" aid project within 10 km, zero otherwise.

*Child treated\_water*: Dummy variable equal to one if the child is born 0–3 years after the start of a "Water, Sanitation and Irrigation" aid project within 10 km, zero otherwise

*Child treated\_vulnerability*: Dummy variable equal to one if the child is born 0–3 years after the start of a "Vulnerability, Disaster and Risk Management" aid project within 10 km, zero otherwise.

*Child treated\_gender*: Dummy variable equal to one if the child is born 0–3 years after the start of a "Gender, Youth Development and Sports" aid project within 10 km, zero otherwise.

*Child treated\_environment*: Dummy variable equal to one if the child is born 0–3 years after the start of an "Environment, Lands and Natural Resources" aid project within 10 km, zero otherwise.

*Child treated\_infrastructure*: Dummy variable equal to one if the child is born 0–3 years after the start of a "Roads, Public Works and Transport" aid project within 10 km, zero otherwise.

*Child treated\_education*: Dummy variable equal to one if the child is born 0–3 years after the start of an "Education" aid project within 10 km, zero otherwise.

*Treated\_X projects*: Dummy variable equal to one if the child has X projects within 10 km, zero otherwise. Separate dummies for having 1, 2, 3, 4, or 5 or more projects within the 10 km cutoff.

### Individual control variables

*Girl*: Dummy variable equal to one if the child is a girl; zero otherwise.

*Age*: Dummies for the child's age in years.

*Twin*: Dummy equal to one if the child is a twin, zero otherwise.

*Urban*: Dummy variable equal to one if the child lives in an urban area; zero otherwise.

*Ethnic group of mother*: Dummies for the ethnic group of the child's mother (Chewa, Tumbuka, Lomwe, Tonga, Yao, Sena, Nkhonde, Ngoni and 'other' category, respectively).

*Religious affiliation of mother*: Dummies for the religious affiliation of the child's mother (Catholic, CCAP, Anglican, Seventh Day Adventist/Baptist, "other Christian," Muslim, no religion, and "other," respectively).

### Year and spatial fixed effects

*Year FEs*: Dummies for the 6 survey years (2000, 2004, 2005, 2010, 2015, 2016).

*District-year FEs*: 146 district by survey year dummies.

*Grid-year FEs*: 272 grid cell (55\*55 km) by survey year dummies.

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Table A3: Summary statistics

Variables	Obs.	Mean	Std dev.	Min	Max
<b><u>Outcome variables</u></b>					
<i>Height-for-age z-score</i>	26604	-1.76	1.6	-5	4.97
<i>Stunted (z&lt;=-2)</i>	26604	0.47	0.5	0	1
<i>Severely stunted (z&lt;=-3)</i>	26604	0.21	0.41	0	1
<b><u>Variables relating to treatment</u></b>					
<i>Child treated</i>	26604	0.26	0.44	0	1
<i>Child treated_bilateral</i>	26604	0.13	0.33	0	1
<i>Child treated_multilateral</i>	26604	0.2	0.4	0	1
<i>Born same year as project start</i>	26604	0.04	0.2	0	1
<i>Born 1 year after project start</i>	26604	0.04	0.2	0	1
<i>Born 2 years after project start</i>	26604	0.03	0.17	0	1
<i>Born 3 years after project start</i>	26604	0.03	0.18	0	1
<i>Born 4 years after project start</i>	26604	0.03	0.18	0	1
<i>Born 5 years after project start</i>	26604	0.03	0.16	0	1
<i>Born 2-4 years before project start</i>	26604	0.14	0.35	0	1
<i>Born 0-3 years after project start</i>	26604	0.15	0.36	0	1
<i>Evertreated cluster</i>	26604	0.76	0.43	0	1
<i>Child treated_health</i>	26604	0.09	0.28	0	1
<i>Child treated_rural dev</i>	26604	0.11	0.31	0	1
<i>Child treated_agriculture</i>	26604	0.05	0.21	0	1
<i>Child treated_water</i>	26604	0.05	0.21	0	1
<i>Child treated_vulnerability</i>	26604	0.01	0.09	0	1
<i>Child treated_education</i>	26604	0.02	0.14	0	1
<i>Child treated_infrastructure</i>	26604	0.11	0.31	0	1
<i>Child treated_environment</i>	26604	0.02	0.14	0	1
<i>Child treated_gender</i>	26604	0.01	0.1	0	1
<i>Treated_1 project</i>	26604	0.12	0.32	0	1
<i>Treated_2 projects</i>	26604	0.05	0.21	0	1
<i>Treated_3 projects</i>	26604	0.03	0.17	0	1
<i>Treated_4 projects</i>	26604	0.02	0.14	0	1
<i>Treated_5 or more projects</i>	26604	0.04	0.19	0	1
<b><u>Control variables</u></b>					
<i>Child age in years</i>	26604	1.87	1.41	0	4
<i>Child age in months</i>	26604	27.91	17.08	0	59
<i>Girl</i>	26604	1.51	0.5	1	2
<i>Twin</i>	26604	0.03	0.17	0	1
<i>Urban</i>	26604	0.14	0.35	0	1



Table A4: Number of project sites, by sector

AMP Sector	Freq.	Percent
Agriculture	65	8.35
Democratic Governance	19	2.44
Economic Governance	9	1.16
Education	32	4.11
Environment, Lands and Natural Resources.	26	3.34
Gender, Youth Development and Sports	19	2.44
Health	148	19.02
Integrated Rural Development	248	31.88
Roads, Public Works and Transport	146	18.77
Tourism, Wildlife and Culture	4	0.51
Vulnerability, Disaster and Risk Management	10	1.29
Water, Sanitation, and Irrigation	52	6.68
Total	778	100.00

Table A5: Estimations breaking down treatment by individual donors

VARIABLES	(1) Stunting	(2) Severe stunting	(3) HAZ score
<i>Child treated_AFDB</i>	0.038 (0.023)	0.019 (0.018)	-0.047 (0.077)
<i>Child treated_EU</i>	-0.012 (0.014)	-0.036*** (0.011)	0.079* (0.045)
<i>Child treated_WB</i>	-0.025* (0.014)	-0.021* (0.012)	0.135*** (0.050)
<i>Child treated_Germany</i>	0.002 (0.016)	-0.014 (0.012)	0.002 (0.058)
<i>Child treated_Norway</i>	-0.003 (0.018)	0.011 (0.013)	-0.027 (0.051)
<i>Child treated_UK</i>	0.013 (0.019)	0.015 (0.013)	-0.082 (0.055)
<i>Child treated_Other</i>	-0.032 (0.021)	-0.010 (0.015)	0.045 (0.066)
Constant	0.378*** (0.021)	0.190*** (0.017)	-1.109*** (0.066)
Observations	26,604	26,604	26,604
R-squared	0.112	0.080	0.154

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated\_XX* refers to child being born 0–3 years after the start of an aid project of the specific donor within 10 km; All estimations include grid-cell-by-survey-year fixed effects and controls for the child's gender, age in year dummies, whether the child is a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area.

Table A6: Estimations with cluster-by-year fixed effects

VARIABLES	(1) Stunting	(2) Severe stunting	(3) HAZ score
Child treated	-0.021 (0.015)	-0.025** (0.012)	0.043 (0.052)
Constant	0.423*** (0.025)	0.316*** (0.021)	-1.496*** (0.078)
Observations	22,919	22,919	22,919
R-squared	0.214	0.174	0.255

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated* refers to child being born 0–3 years after the start of an aid project within 10 km. All estimations include controls for interview year, the child's gender, age in year dummies, whether the child is a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area. All estimations include cluster-by-year fixed effects.

Table A7: Estimations with mother fixed effects

VARIABLES	(1) Stunting	(2) Severe stunting	(3) HAZ score
Child treated	-0.051 (0.031)	-0.037 (0.023)	0.062 (0.103)
Constant	-0.263*** (0.020)	-0.040*** (0.015)	0.096 (0.070)
Observations	1,959	1,959	1,959
R-squared	0.647	0.614	0.672

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated* refers to child being born 0–3 years after the start of an aid project within 10 km. All estimations include controls for interview year, the child's gender, age in year dummies, and whether the child is a twin. All estimations include mother fixed effects. We restrict the sample to kids in families with both treated and untreated children.

Table A8: Estimations using coarsened exact matching (CEM)

VARIABLES	(1) HAZ-score	(2) Stunting	(3) Severe stunting
<i>Child treated</i>	0.101*** (0.032)	-0.030*** (0.010)	-0.025*** (0.007)
Constant	-1.344*** (0.051)	0.414*** (0.015)	0.197*** (0.012)
Observations	20,871	20,871	20,871
R-squared	0.030	0.027	0.026

Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated* refers to child being born 0–3 years after the start of an aid project within 10 km. We match exactly on district, urban residence, the child's sex, age in years, year of birth, and on interview years coarsened by survey wave in the full sample. The estimations are based on the resulting matched observations, and additionally control for ethnicity, religion, whether the child is a twin and the (un-coarsened) interview year dummies.

Table A9: Exploring treatment effect heterogeneity

VARIABLES	(1) Stunting	(2) Severe stunting	(3) z-score	(4) Stunting	(5) Severe stunting	(6) z-score	(7) Stunting	(8) Severe stunting	(9) z-score	(10) Stunting	(11) Severe stunting	(12) z-score
<i>Child treated</i>	0.011 (0.018)	0.031** (0.015)	-0.034 (0.062)	-0.020* (0.011)	-0.014* (0.008)	0.077** (0.036)	-0.016 (0.011)	-0.011 (0.008)	0.056 (0.036)	-0.010 (0.009)	-0.016** (0.008)	0.046 (0.032)
<i>Child treated*Rural</i>	-0.037* (0.020)	-0.062*** (0.016)	0.123* (0.069)									
<i>Child treated*Poorest</i>				0.014 (0.015)	-0.002 (0.012)	-0.069 (0.049)						
<i>Child treated*Little educ.</i>							-0.001 (0.015)	-0.014 (0.012)	0.004 (0.049)			
<i>Child treated*Young mother</i>										-0.047** (0.019)	-0.011 (0.015)	0.100* (0.059)
Constant	0.255*** (0.025)	0.094*** (0.021)	-0.663*** (0.084)	0.361*** (0.020)	0.176*** (0.017)	-1.062*** (0.065)	0.351*** (0.021)	0.158*** (0.017)	-1.033*** (0.067)	0.375*** (0.021)	0.189*** (0.017)	-1.100*** (0.066)
Observations	26,747	26,747	26,747	26,477	26,477	26,477	26,745	26,745	26,745	26,747	26,747	26,747
R-squared	0.113	0.080	0.155	0.117	0.083	0.158	0.114	0.082	0.156	0.114	0.080	0.156

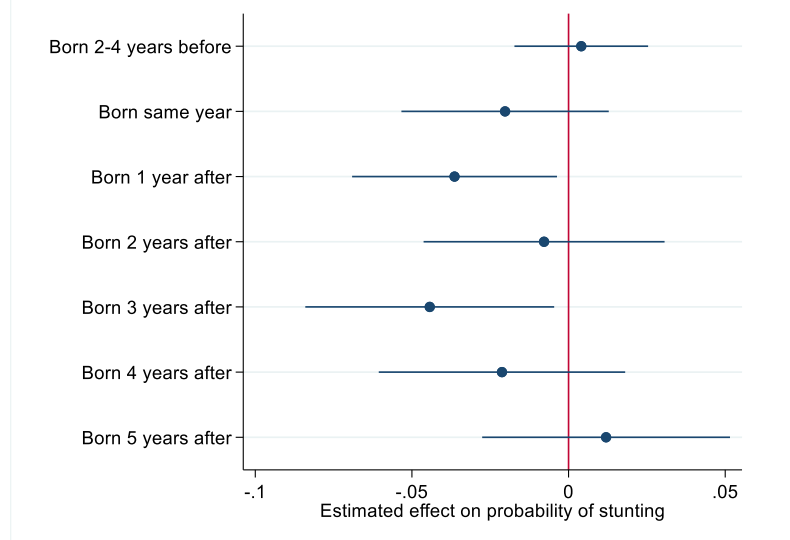
Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. *Child treated* refers to child being born 0–3 years after the start of at least one project within 10 km. All estimations include grid-cell-by-survey-year FEs, controls for the child's gender, age in year dummies, whether the child is a twin, the ethnic and religious affiliations of the mother, and whether the household lives in an urban area. *Child treated\*Rural* interacts the treatment dummy with a rural dummy. *Child treated\*Poorest* interacts the treatment dummy with a dummy for belonging to the two poorest wealth quintiles. *Child treated\*Little educ.* interacts the treatment dummy with a dummy for the mother having less than the median number of years of education (<4). *Child treated\*Young mother* interacts the treatment dummy with a dummy for the mother being below age 20 when she gave birth to the child in question. All estimations include the component variable (not presented) in the interaction term, i.e., *Poorest* in columns 4–6, *Little educ* in columns 7–9 and *Young mother* in columns 10–12.

Table A10: Exploring mechanisms. Dependent variable is the continuous HAZ score. Estimated on the 'ever-treated' sample.

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Original model	Wealth	Tap water	Toilet	Fetch water	Education	Teenage birth	Birth interval	Antenatal visits	Low BMI	Low birth weight	Diarrhea	Child use bed net
Child treated	0.085** (0.034)	0.060* (0.033)	0.075** (0.034)	0.075** (0.034)	0.086** (0.036)	0.076** (0.034)	0.086** (0.034)	0.070* (0.037)	0.097*** (0.038)	0.084** (0.034)	0.108*** (0.039)	0.085** (0.034)	0.031 (0.040)
Wealth index: Poorer		0.076** (0.035)											
Wealth index: Middle		0.141*** (0.034)											
Wealth index: Richer		0.239*** (0.033)											
Wealth index: Richest		0.520*** (0.043)											
Tap water			0.098*** (0.034)										
Toilet				0.410*** (0.081)									
Time to fetch water					-0.002* (0.001)								
Fetch water sq.					0.000* (0.000)								
Years of education						0.027*** (0.004)							
Teenage birth							-0.14*** (0.028)						
Birth interv								0.001*** (0.000)					
Antenatal visit									0.060** (0.027)				
BMI below 18.5										-0.188*** (0.048)			
Low birthweight											-0.252*** (0.050)		
Diarrhea												-0.095*** (0.014)	
Child use bed net													0.121*** (0.032)
Constant	-0.812*** (0.070)	-0.959*** (0.073)	-0.834*** (0.070)	-0.822*** (0.070)	-0.794*** (0.078)	-1.006*** (0.074)	-0.792*** (0.070)	-0.710*** (0.076)	-0.919*** (0.083)	-0.801*** (0.070)	-0.808*** (0.090)	-0.769*** (0.070)	-1.34*** (0.094)
Observations	20,251	20,035	19,947	19,941	18,581	20,249	20,103	20,251	14,791	13,147	11,984	20,223	15,654
R-squared	0.149	0.156	0.149	0.151	0.152	0.151	0.150	0.150	0.157	0.137	0.157	0.151	0.154

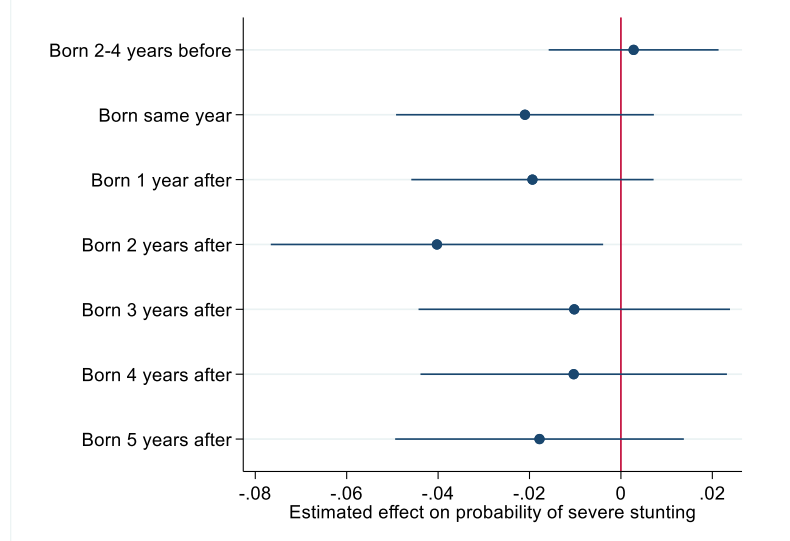
Note: Robust standard errors (clustered at the survey cluster level) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. All estimations include baseline controls and district-by-year fixed effects. Wealth index: index of assets grouped in quantiles; Tap water: access to piped water; Toilet: access to toilet with flush; Time fetch water in minutes; Education: years of schooling; Teenage birth; Birth spacing: at least three years since last birth; Antenatal visits: at least 4 visits; Low BMI: below 18.5; Low birth weight: below 2,500 grams; Diarrhea: child had diarrhea last two weeks; Child bed net: slept under any type of bed net last night

Figure A1: Estimated effect of birth year in relation to year of first project start on stunting



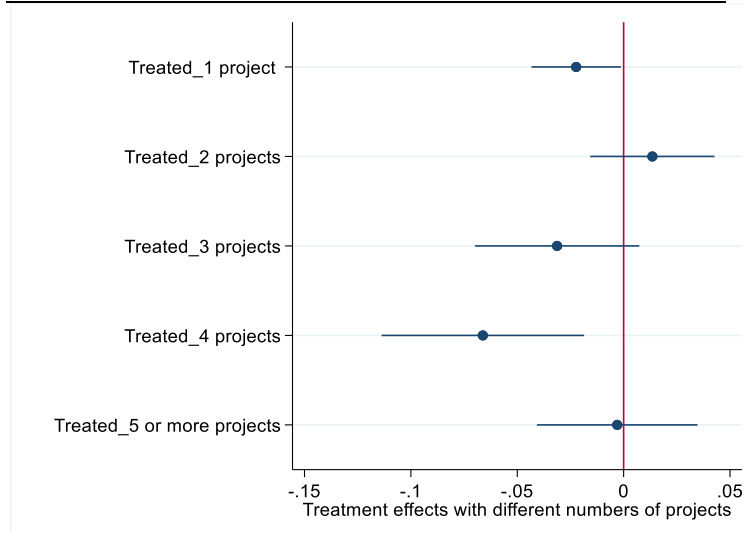
Notes: Point estimates with 95% confidence intervals. Based on full sample estimation with child and household controls grid-cell-by-survey-year fixed effects. Treatment focuses on children born within X years of the first project starting in the area.

Figure A2: Estimated effect of birth year in relation to year of first project start on severe stunting



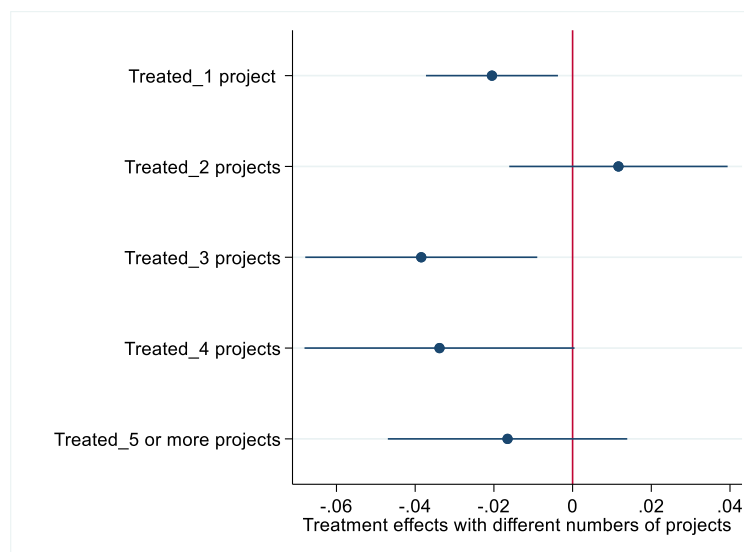
Notes: Point estimates with 95% confidence intervals. Based on full sample estimation with child and household controls and grid-cell-by-survey-year fixed effects. Treatment focuses on children born within X years of the first project starting in the area.

Figure A3: Comparing treatment effects with different numbers of project starting 0–3 years prior to child’s birth, dependent var. is stunting



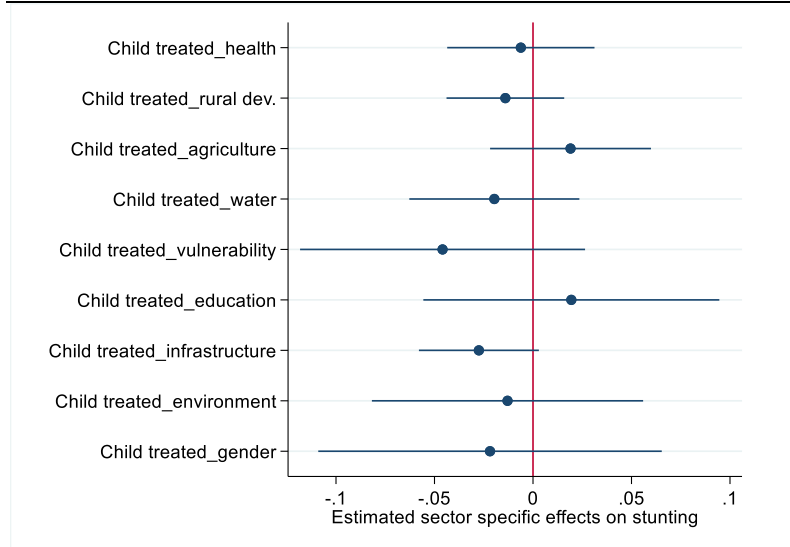
Notes: Point estimates with 95% confidence intervals. Based on estimations including five treatment dummies (for having 1, 2, 3, 4, or 5 or more projects starting 0–3 years prior to child’s birth within the 10 km cut-off), and child and household controls and grid-cell-by-survey-year fixed effects.

Figure A4: Comparing treatment effects with different numbers of project starting 0–3 years prior to child’s birth, dependent var. is severe stunting



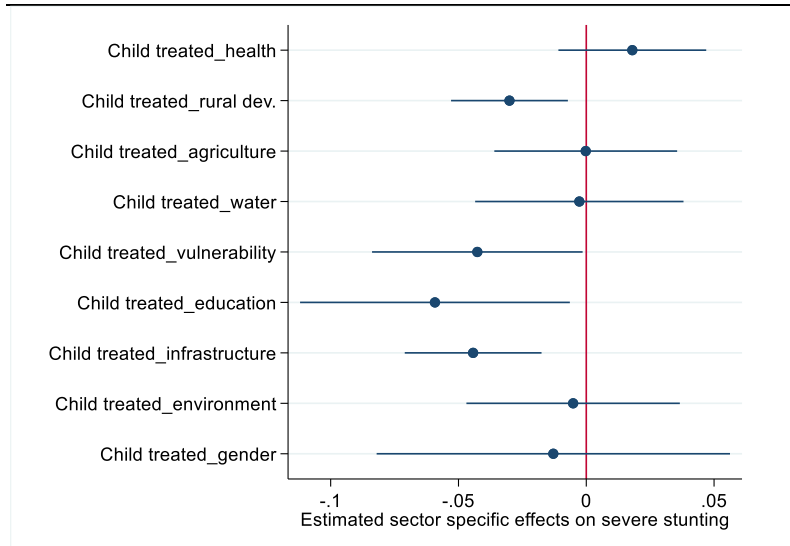
Notes: Point estimates with 95% confidence intervals. Based on estimations including five treatment dummies (for having 1, 2, 3, 4, or 5 or more projects starting 0–3 years prior to child’s birth within the 10 km cut-off), and child and household controls and grid-cell-by-survey-year fixed effects.

Figure A5: Estimated sector specific effects on stunting



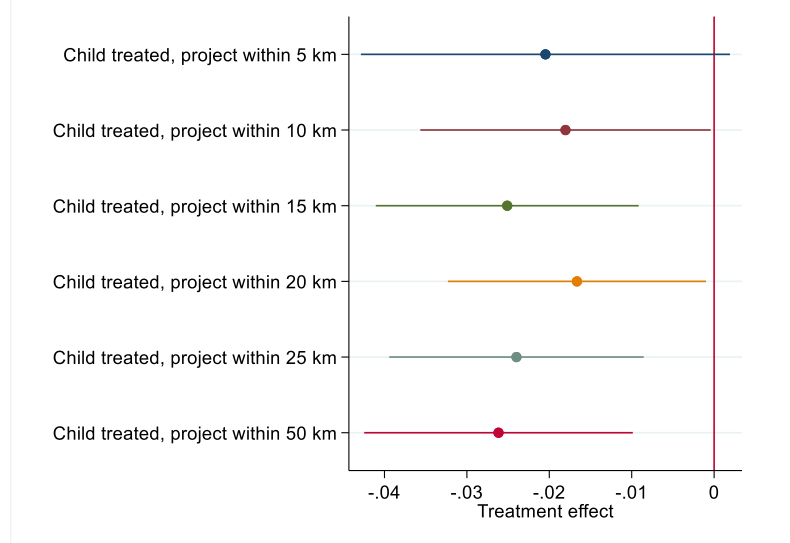
Notes: Point estimates with 95% confidence intervals. Based on rural sample estimation with child and household controls and grid-cell-by-survey-year fixed effects.

FigureA6: Estimated sector specific effects on severe stunting



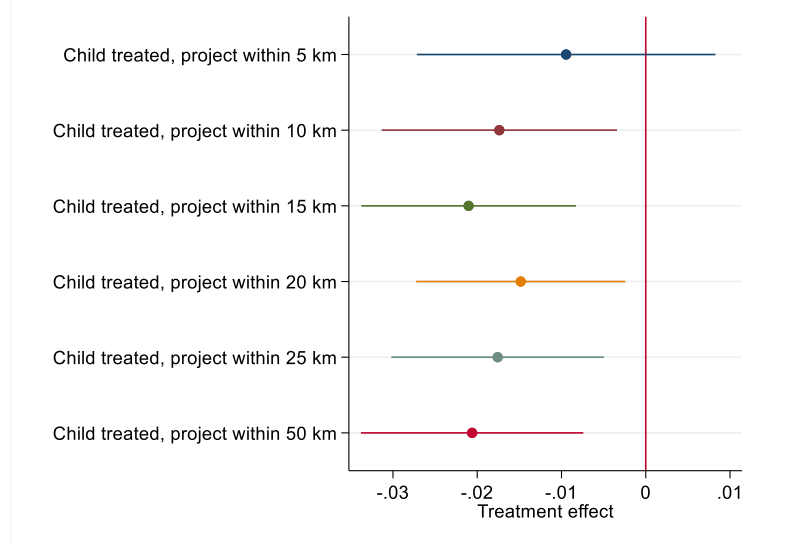
Notes: Point estimates with 95% confidence intervals. Based on rural sample estimation with child and household controls and grid-cell-by-survey-year fixed effects.

Figure A7: Estimated effects on stunting when using different geographical cut-offs



Notes: Point estimates with 95% confidence intervals. Coefficients from six separate estimations, each with child and household controls and grid-cell-by-survey-year fixed effects.

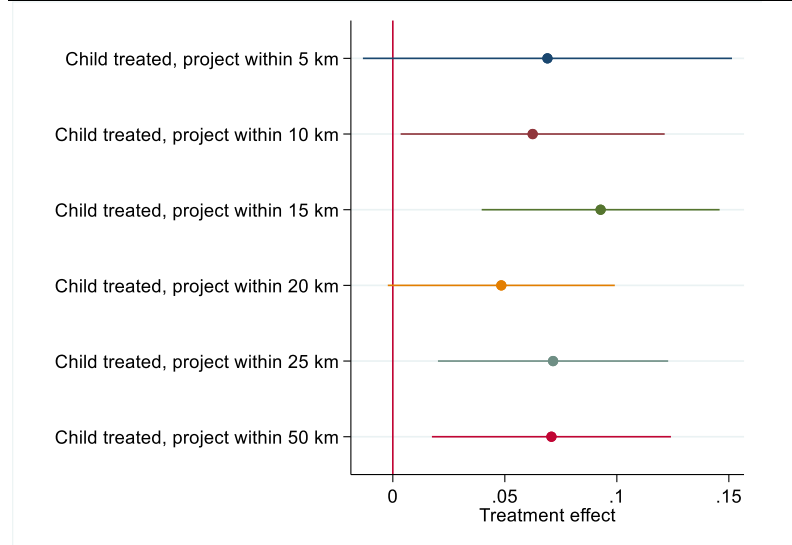
Figure A8: Estimated effects on severe stunting when using different geographical cutoffs



Notes: Point estimates with 95% confidence intervals. Coefficients from six separate estimations, each with child and household controls and grid-cell-by-survey-year fixed effects.



Figure A9: Estimated effects on height-for-age z-score when using different geographical cutoffs



Notes: Point estimates with 95% confidence intervals. Coefficients from six separate estimations, each with child and household controls and grid-cell-by-survey-year fixed effects.