Hi Julia,

I like this paper a lot and think the Big Idea behind it (basically, IGOs outsourcing compliance to private actors instead of to domestic constituencies or whatever) is interesting. My main suggestions have to do with the link b/n the theory and the empirics.

**Theory**

I like your theory but I think you could narrow it down for the purposes of turning this into a more self-contained paper. In particular, given that your empirical analysis seeks to answer the causal question of whether being blacklisted results in a more risky assessment by financial actors, I think that you could pare down the scope of the theory (which obviously imposes costs, but preempts a lot of the questions that I think people will raise) to a claim about IGOs achieving relevance in select policy domains by providing financially relevant information (sidestepping the issues of the informality of these organizations; absence of formal rules; their credibility and transparency, etc.) that harms countries through market actors. I don’t know to what extent this claim would overlap with previous research, but if it does, you could emphasize the empirical side of your contribution (which is cool).

**Link between Theory and Empirics**

I think the question that you raise is interesting (at least from the perspective of someone outside IR), but that the hypothesis that you test only addresses one part of it; i.e., that information generated by IOs is internalized by financial risk ratings. My worry is that that is not enough evidence to conclude that countries suffer significant financial costs (i.e., costs which are not offset by the gains to be made from noncompliance). That evidence arises in this paper mostly from the bond data, which I think cannot only be framed as a robustness check.

I think I would like to see more not only on the financial end (for example, it would be interesting to show an effect on the S&P credit ratings even just for countries that sell bonds) but also on the compliance side. One way forward (that might be too unwieldy) would be to use a comparison case: I think you are making a comparative argument b/n the efficacy of certain enforcement mechanisms – e.g., the quote on p.20 – and so one thing that could be helpful is to compare FATF to a terrorism-related IGO body that does not work through finance.

**Empirics**

I was wondering why you interpret the final tables just in terms of investors charging a higher premium on lending given that yield could also be a function of nominal price. Obviously these two things are endogenous but I think the story that I see more often is that investors sell off their risky assets, which lowers the price of risky bonds.

Hope these comments are helpful,

Winston