
The Democracy Initiative Progress Update

April 1991



One of a series of initiatives of
the U.S. Agency for International Development:

The Environment Initiative

The Democracy Initiative

The Partnership for Business and Development

Family and Development

plus

Toward Strategic Management, and

The Administrator's Evaluation Initiative

Overview

Since November 1990, representatives of PPC, regional bureaus, and, more recently S&T and FVA, have met every Tuesday to discuss the Democracy Initiative and its implementation, and is called the Tuesday Group. Chaired by PPC, a broad number of topics associated with the Democracy Initiative have been discussed. One of the current priorities is a draft democracy policy paper which will include guidelines on a full range of Democracy Initiative issues. It is expected that this draft will be ready for senior Agency review by the end of April or early May.

I. Incorporating Democracy Across the Range of A.I.D. Activities

The first of the four components of the Democracy Initiative calls for A.I.D. to incorporate support for democratic practices and values across the broad range of its activities. Specific steps taken thus far include:

- o An A/A.I.D. worldwide cable was sent in March outlining the four components of the Democracy Initiative and future expectations.
- o The AC/SI codes describing A.I.D. democracy activities have been revised, enabling field missions to provide more accurate and comprehensive funding data.
- o PM is offering a one-week pilot training course scheduled for May, to develop the skilled cadre of A.I.D. field officers needed to implement the Democracy Initiative. This will cover U.S. interest in democratization, theory and application of democratic governance, Agency experience, and strategy development. After evaluating this effort, similar courses may be offered in the future.
- o APRE has developed a country framework which provides a common analytic approach for missions developing country programs. A field workshop for democracy officers is planned for August.
- o In September 1990, AFR initiated an extensive dialogue with field missions on democracy and improved governance in Africa. This has continued, and the Democracy Initiative will be a central topic at the Mission Directors' meeting in May. AFR also organized an experts meeting (facilitated by S&T) to discuss ways in which civil society can support the transition to democracy in Africa.

- o ENE held a two-day experts meeting (facilitated by S&T) on problems of democracy in the Middle East. Participants included a large number of field staff who were in Washington on evacuation status.
- o LAC has incorporated the "evolution of stable, democratic societies" in its Country Strategy Development Guidance. The Bureau is finalizing its regional Democracy Initiative (DI) strategy and has a set of management objectives with specific targets for implementing it. A conference for DI field officers is planned for May.
- o PPC has commissioned several policy studies including a paper synthesizing the main analyses of democracy and a worldwide study of the links between democracy and economic development (in conjunction with ENE and APRE). Assistance also is being provided to the DAC Secretariat to help develop a common donor approach to "participatory development."
- o S&T has sponsored several workshops and meetings of experts on democracy, including workshops on public sector management and decentralization.

II. Support for Democratic Institutions

Approximately \$131 million is planned in direct support of democratic institutions in FY 1991, with an additional obligation of about \$123 million in FY 1992.

APRE is finalizing its Asia Democracy Program, which outlines its direct support for democratic institutions. Country strategies to support democratic institutions have been completed in Thailand, Sri Lanka, Indonesia, and Nepal. In addition, a competitive grants program is being established for FY 91. In FY 92, an additional \$2 million in central funds are expected to be obligated for pilot democracy projects.

Over the past two months, AFR has approved 20 projects (\$530,000) to promote civil and political rights, and plans to increase the FY 91 116(e) budget from \$1 million to \$4 million. In addition, several countries are designing multi-year projects focused on governance for obligation in FY 92.

ENE is implementing a \$35 million program in Eastern Europe through six projects: National Legislatures; Sub-national Government and Public Administration, Rule of Law; Independent Media, Political Process (electoral process, political organization and citizens networks), and Social Process (minority issues, books for democracy, and educational reform). In the Near East, ENE is implementing a \$2 million program which augments the efforts of its missions. With its regional funds, ENE hopes to support a region-wide NGO with in-country presence to design and implement democracy projects. In addition, DPI strategies and/or needs assessments were prepared for several Near East countries.

LAC supports democratic institutions through projects focused on improved court administration; strengthened political pluralism; efficient and honest government through enhanced accountability and improved public administration; improved civil-military relations; decentralization to local and municipal governments; civic education; and support to independent media private foundations, public policy institutions, and NGOs. A total of \$87 million will be obligated in FY 1991, and an additional \$91 million is proposed for FY 92.

III. Assessing Progress Towards Democracy

This third component of the Democracy Initiative has proven to be the most complex and difficult to implement thus far. Two distinct issues are involved. First, this involves complicated questions on the most reliable, comprehensive, and practical method for assessing a country's progress. A second issue is developing an Agency-wide approach that is sufficiently flexible and sensitive to widely varying regional conditions. AFR and LAC already factor progress toward democratic governance into their country allocation process.

Various bureaus are engaged in discussions with OMB on their country allocation process, and the FY 93 allocation exercise is underway. Nonetheless, the Tuesday Group is examining the appropriateness of an Agency-wide approach. By mid-May, we expect to send to senior management an options paper outlining different alternatives that could be adopted (see concluding section on key issues).

To assist in this, PPC is developing a technical experts meeting in early May. Participants will include regional bureau representatives, who will review the different systems developed thus far, assess the strengths and weaknesses of these competing methods, and discuss the operational implications of each approach. We expect to invite participation by the Development Committee of the OECD (DAC) in an effort to help advance our discussions with our DAC partners on this issue, as well as the internal A.I.D. dialogue.

IV. Legislation for Rapid Response Capability

Under present law, the primary constraint A.I.D. faces in responding quickly to democratic opportunities is the ineligibility of certain countries to receive any U.S. Government (USG) economic assistance (e.g., countries that have communist governments, regimes that have resulted from the overthrow of an elected government, and/or regimes with violations of human rights.) Yet these are precisely where the USG may want to move quickly to assist if there is a "democratic breakthrough" and an opportunity to support and help consolidate a movement toward more open, democratic political systems. Consequently, the proposed FAA rewrite contains provisions giving the President the authority to waive restrictions on countries eligible to receive USG assistance where such changes occur. Thus far, there appears to be little or no opposition to this proposal on Capitol Hill. Secondly, we are exploring the feasibility of using OFDA resources for rapid responses in specific countries.

V. Consultations with Congress and Other Agencies

In collaboration with LEG, AA/LAC James Michel and PPC have held a series of consultations with Congress, followed by more focused conversations on specific issues. We also have had a series of meetings with USIA to discuss ways in which our efforts can be mutually supportive and complementary.

PPC has been working on coordination with other donors. This includes the development of a DAC paper for the June Senior Level DAC meeting and the July Tidewater meeting (hosted by the U.S.) focusing on governance. PPC also is coordinating with State and Treasury on responding to a draft World Bank document outlining the legal parameters within which Bank support for improved governance must operate.

Finally, considerable time has been devoted to A.I.D.'s relationship with the National Endowment for Democracy (NED), a subject that also has attracted Congressional attention. This culminated in the A/AID letter to NED outlining basic principles in our relationship with NED. As a result of the GAO audit of NED, the Tuesday Group is coordinating the development of uniform monitoring requirements for all A.I.D. grants and cooperative agreements with NED.

VI. Key Issues for the Near Term

Two issues will soon require the attention of senior Agency management. First, the function of the Tuesday Group has gradually changed from simply sharing information to framing policy options for senior Agency management. Is this appropriate, and does the Tuesday Group have a mandate to serve this function within the Agency? Second, establishing agreed procedures and criteria for "rewarding progress towards democracy" is one of the most visible and most difficult components of the Democracy Initiative. When an options paper is completed, guidance from Agency senior management will be required to resolve some of the policy issues involved in implementing this component.