

PD-ABE-510  
ISA 78489

**DEMOCRATIC INSTITUTIONS SUPPORT  
PROJECT**

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**GOVERNANCE AND DEMOCRACY PROGRAM**

**NEAR EAST BUREAU**

**WHITE COPY**

**United States  
Agency for International Development**

## SUMMARY AND RECOMMENDATIONS

### A. Overview

The *Democratic Institutions Support (DIS) Project* is a five year, regional project that will assist Near East missions with technical and analytical expertise to support host country efforts to strengthen the political and legal institutions which underlie democratic governance. The DIS Project is a key component in the start-up phase of the Near East Bureau's *Governance and Democracy Program (GDP)*. Of particular concern to NE GDP is the relationship between political and economic liberalization, and the challenge of supporting processes of democratic institutional reform that will further economic liberalization objectives.

An important consideration underlying NE GDP is that the USAID missions should play the major role in building and implementing GDP activities appropriate to the conditions in each host country. Missions have shown a strong interest in developing appropriate GDP efforts, but most do not now have either the technical expertise or the resources to invest in exploring ways to integrate GDP into their portfolios. The need for critical start-up assistance was clearly articulated in the NE GDP Officer's Workshop held in February, 1992, in Cairo. Substantial bureau support for Mission GDP development is therefore essential if this program area is to realize its potential for contributing to overall NE bureau development objectives.

The project *purpose* is to support development of selected democratic political and legal institutions and organizations that contribute to policy reform and improved policy implementation in countries of the Near East.

### B. Project Design

The DIS Project is designed in a flexible operational format to allow for (a) incorporation of analytic results and lessons learned in the implementation of institutional strengthening efforts, and (b) rapid response to evolving opportunities in the region.

The project has three basic components: (1) a Technical Support Component implemented by a competitively selected institutional contractor--under this component a Project Technical Unit (PTU), staffed with contract personnel and located near State Annex 2 in Washington DC, will be established; (2) a Bilateral Program Support Component providing matching funds for mission-generated institution building activities; and (3) an NGO Component providing funds for a limited number of US-based NGOs

to carry out institutional strengthening activities. These three elements will be funded through separate earmarks under a single DIS Project authorization.

## **1. Technical Support Component**

This component includes most of the project activity. It will be implemented by an institutional contractor (IC) under the close supervision of the USDH NE/DR Project Manager. There are four basic elements under this component:

### **a. Strategy Development Element**

The logical starting point for designing project interventions in specific countries is the development of carefully prepared program strategies based on a full analysis of likely implications of specific interventions, both for economic reform and for sustainable democratic change. Under this element, the DIS project provides Missions with nearly all the resources necessary for preparing country political economic background reviews, specific institutional analyses, and preparing country GDP strategy documents.

### **b. Project Development Element**

The next step is to develop a portfolio of activities which can achieve the country objectives as defined in a Mission's GDP strategy. Several types of activities under the DIS Project will support this process by providing the resources necessary for special studies, special topic workshops, and project designs efforts.

### **c. Institutional Strengthening Activities Element**

USAID Missions will in general be responsible for initiating and managing GDP activities at the country level on a bilateral basis. However, in some cases it will prove more efficient to fund and manage selected pilot activities directly through the DIS Project. Two types of institutional strengthening activities anticipated under the Technical Support Component of DIS: individual country activities and region-wide networking activities.

### **d. Program Support Element**

This element consists of several key technical services considered essential to the effective implementation of the DIS Project. Three types of services are anticipated: field-based TA, technical advice to the NE Bureau, and development of a Management Information System. Through the buy-in mechanism, both short-term TA and long-term TA will be provided directly to missions for design, implementation, and evaluation services. It

is expected that this option will be particularly useful for establishing long-term PSC-type positions to assist in the implementation of mission-based GDP institutional strengthening activities.

## **2. Bilateral Program Support Component**

This component provides an additional funding source to catalyze mission development and implementation of bilateral governance programs. Resources will be provided in the form of direct transfers to missions on a matching basis (50-100% of activity costs) for obligation through existing or new mission-level contract or grant mechanisms. This component is primarily designed for missions with well-developed GDP strategies and existing obligation mechanisms, but a shortage of OYB funds for investing in specific institutional strengthening activities. In some cases, missions may use these funds for project design activities. Mission proposals for transfers will be reviewed and selected semi-annually according to how well they meet screening criteria.

## **3. NGO Component**

The DIS Project will provide resources for selected U.S.-based NGOs for institutional strengthening activities which support the project purpose. This component is specifically limited to supporting important institutional strengthening activities in cases where there is host country interest, but where USG involvement either directly with USDH or indirectly through a contractor, could be sensitive. An example might be work with the host country on elections observations and strengthening electoral institutions. In such cases, it is preferable to provide resources through a grant or cooperative agreement to a well-established international NGO which has the required expertise. It is expected that approximately five and not more than twelve US-based NGOs will be awarded grants with a minimum of \_\_\_\_\_ and a maximum of \_\_\_\_\_ per grant.

## **C. Project Inputs**

- Core contract and a supporting requirements contract for Mission buy-ins. The core contract will include three long-term experts established in the Project Technical Unit--a Senior Social Analyst, a Legal/Judicial Institutions Specialist, and a Democratic Institutions Specialist--as well as short term technical assistance and limited training and commodities for host country institution building activities. The requirements contract will provide short-term and field-based long-term TA for design, implementation, and evaluation

- of GDP projects initiated at the country level.
- Grants and cooperative agreements with US-based NGOs as discussed above.
  - An initial obligation will be made in FY 1992. In each subsequent year of the LOP, the Bureau will examine the DIS workplan estimates of expenditure before obligation of additional funds.

#### **D. Recommendation**

The DIS Project Paper was reviewed and approved by a Project Review Committee on April 21, 1991. Issues raised in the meeting were subsequently addressed in the Project Paper. It is recommended that AID approve the *Democratic Institutions Support Project* with life of project funding for the five year period of FY 1992 - FY 1996. The project design committee has determined that the project is technically, financially, economically, and environmentally sound.

**I. PROJECT BACKGROUND AND RATIONALE**

**A. Political and Economic Reform**

Two historic transformations are sweeping much of the world today--the establishment of open market economies and the movement toward more accountable democratic governance. These processes are closely interrelated and reflect the pressing need after four decades to realign national and local institutions to facilitate rather than restrict individual and community initiative. Near East governments have been slow to engage in these critical reforms, particularly in the area of democratic governance. Yet, most countries of the Near East (outside the Gulf States) face the same development challenges that are spurring a mix of economic and political liberalization in most other regions of the world.

The most pressing development problem facing most countries of the Near East is the difficulty of maintaining growth momentum under current conditions of deteriorating macroeconomic environments (increasing debt burden, negative trade balances, grossly imbalanced national budgets), state ownership and heavy state control of national economies, and popular resistance to reducing state subsidized consumption. Renewed growth momentum is now critical to generate employment for rapidly expanding, labor forces and to address the pressing social problems characterizing every country of the region. Accelerating economic growth will require major reform of economic policy environments reversing 1960s and 1970s ISI approaches to development. Policy reform must be appropriate to the conditions of each country but in general should lead away from the public sector/command economy model toward more efficient market allocation of productive resources and greater integration into the world economy. While some steps toward economic liberalization have been occurring, progress has been very slow. In Egypt, for example, economic reform steps were begun in the late 1970s but progress has been a slow over the past decade. In Tunisia, reform regulations are established but more effective implementation is needed.

One important factor underlying the delay in reform in countries across the Near East is that national and local policy is both formulated and implemented by relatively autonomous, highly centralized executive bureaucracies operating under few standards of external accountability. Lack of accountability reduces incentives for officials to place the broad national interest above their own interests or those of close associates.

Over time this reduces public trust in government and undermines public belief that both public policy and public institutions are shaped to serve public interests. If and when governments do decide to move on reforms, they find they have lost the ability to convince the public that painful reforms are necessary and will be implemented fairly.

Strengthening selected the host country political and legal institutions and organizations that underlie executive accountability can help create the enabling environment for progress on economic and social reform. This occurs in two ways: (1) Increasing the public accountability of governments in national and local decision-making can, in some circumstances, strengthen the legitimacy of painful government policy decisions. This can then give governments the ability to press forward with difficult but critical reforms. It can also open channels of influence on government decision making for reform constituencies; and (2) More effective mechanisms of legal accountability and administrative accountability acting on the executive bureaucracy is the best means for ensuring that powerful bureaucracies and individual officials work toward the common good rather than pursuing their own narrow interests.<sup>1</sup>

Donor assistance for improving accountability in governance can play an integral and important role in furthering overall A.I.D. economic reform objectives, but it is important to recognize that this does not mean that all political and legal institutional improvements would have equally positive effects. We do not yet have a firm understanding of what the short to medium term effects of specific political and legal institutional improvements would be in most Near East countries--either on prospects for critical economic reform or on the sustainability of overall democratic change we would want to support. One of the central development challenges facing Near East countries in the 1990s will be how to move forward with political liberalization in ways that support rather than undermine progress on critical economic reform.

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1. **Public accountability** involves institutions such as electoral commissions, free press, independent parties, and parliaments. **Legal accountability** requires an independent judiciary and an efficient legal system with the power to ensure that public policy is implemented in a fair and evenhanded manner. **Administrative accountability** involves mechanisms within the executive bureaucracy itself which ensure that official actions are held to high standards and are pursued in the national interest.

## **B. Project Rationale**

In late 1990, A.I.D. established the *Democracy Initiative (DI)* to help shape the Agency's response to important development challenges arising in the 1990s. This initiative calls on A.I.D. to focus its "experience, skills, and resources explicitly to help promote and consolidate democracy". Further guidance on the purpose and limitations of the initiative was recently issued in the *Democracy and Governance Policy Paper*. This paper notes in particular that "democratic political development can help prevent many of the recurring constraints to sustainable broad based economic growth. In developing countries, elite segments of society (which often include the civil service) may use the state as an instrument to pursue their own narrow interests, setting aside the legitimate needs and aspirations of the majority."

The Near East Bureau's *Governance and Democracy Program (GDP)* consists of project activities that directly support the Agency's *Democracy Initiative* in the countries of North Africa and the Middle East. NE GDP is aimed at strengthening the private and public institutions and organizations which make greater public, legal, and administrative accountability in governance possible. Of particular concern to NE GDP is the relationship between political and economic liberalization, and the challenge of supporting processes of democratic institutional reform that will further economic liberalization objectives.

## **II. PROJECT DESCRIPTION**

### **A. Project Goal and Purpose**

**Project Goal:** Creation of political and legal institutional environments that will foster more rapid long term progress on economic reform in countries of the Near East.

**Project Purpose:** To support development of selected democratic political and legal institutions and organizations that contribute to policy reform and improved policy implementation in countries of the Near East. Assistance under the project will be appropriately targeted to address the development needs and priorities of individual countries. The project is designed in a flexible operational format to allow for (a) incorporation of analytic results and lessons learned in the implementation of institutional strengthening efforts, and (b) rapid response to evolving opportunities in the region.

**B. Project Strategy and Process**

**1. Project Strategy**

The DIS Project strategy is:

to concentrate DIS resources on strengthening the key democratic political and legal institutions and organizations that serve to increase public, legal, and administrative accountability of the executive bureaucracy

The conceptual framework and major assumptions underpinning this strategy are as follows:

1. A major constraint to progress on economic reform in countries of the Near East is that those components of executive bureaucracies which formulate and implement public policy are held to few standards of accountability in their decision making processes. The incentives influencing their decisions are only indirectly at best shaped by strictly legal or public preference considerations;
2. Increasing *public, legal, and administrative* accountability by strengthening key political and legal institutions and organizations will redirect the incentives influencing bureaucratic decision making in ways that will further the reform process.

The project strategy as stated above, however, requires an important refinement. We would expect a strong correlation to exist between increased legal and administrative accountability on the one side and improved policy (particularly more effective policy implementation) on the other. But this is not entirely true in the case of public accountability. Nearly all NE country populations have enjoyed decades of heavily subsidized consumption and the benefit of widespread employment in inefficient public sector jobs. At this point, only a limited segment of these populations would be constituencies for critical economic reform. It is only over the longer term, after the benefits for reform are concretely demonstrated, that broad-based reform constituencies will emerge. The project therefore limits provision of resources under the public accountability objective to activities that will enhance rather than undermine short term reform priorities. For example, state-owned enterprise union workers generally resist economic reform. Assistance under the DIS Project for union development would be largely aimed at assisting local unions to explore compromise conditions under which they can support reforms and still protect the interests of their workers. This refinement to the general proposition that improved accountability will lead to reforms is the reason for

introduction of the term "selected" in the project's purpose statement.

## **2. Project Process**

It is important that missions develop the capacity to take the lead in designing and managing local GDP initiatives. First, as a general management objective A.I.D. is seeking to ensure that mission portfolios focus increasingly scarce resources on a limited set of critical development objectives. In almost all cases in the NE, priority issues include open market/private sector reforms and GDP activities should support these broader mission objectives. Effectiveness of programs is best maintained when missions retain full authority and responsibility over the selection and management local GDP initiatives. Second, retaining the locus of responsibility at the mission level also allows Mission management to keep Embassies fully informed on the initiation and progress of potentially sensitive activities. Despite these advantages of basing governance programs firmly at the Mission level, most USAID Missions do not now have either the technical expertise or the resources to invest in exploring ways to integrate GDP into their portfolios. Broad Mission interest doing so was communicated at the NE Mission Director's Conference in December 1991. The need for critical start-up assistance was clearly articulated in the NE GDP Officer's Workshop held in February, 1992, in Cairo (see Annex H). Without substantial contribution to GDP development from the bureau, the potential contributions of this program area to the overall NE bureau program will not be realized.

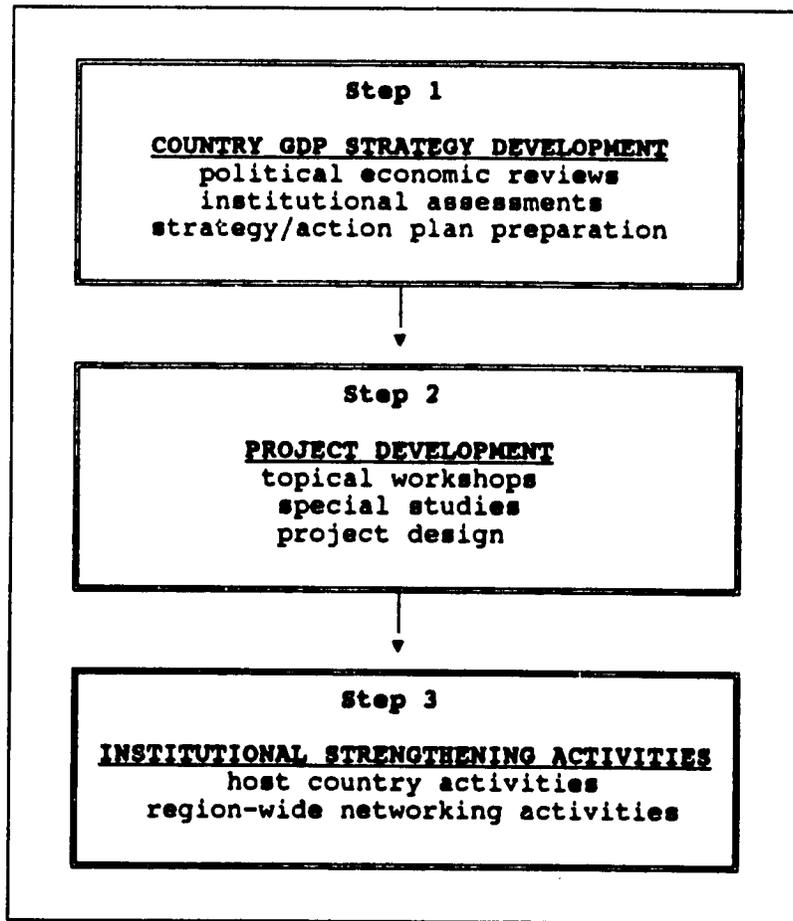
The DIS Project therefore provides the necessary resources to "jump start" mission GDP efforts. This initial phase will run for approximately five years. The project provides a full package of resources over the LOP necessary to catalyze development of GDP activities appropriate to host country conditions and broader mission objectives, but provides these resources in ways that support mission initiative in this area.

In support of this "jump start" approach, the DIS Project encourages a rational step-by-step process for establishing effective mission programs. It moves from mission GDP strategy development efforts through project design to implementation of a manageable portfolios of GDP institutional strengthening activities.

Ultimately it is well-targeted institutional strengthening activities which will achieve the project purpose and goal. However, as discussed above, GDP is a development area in which foreign assistance can have major unanticipated outcomes--many of

them disruptive of broader development processes. GDP is a program area in which small investments can have high impact on the development process. This is due to long neglect of the institutions involved and their potential for influencing national flows of resources and opportunity. It is important to ensure, to the extent possible, that we do not have the "wrong" successes--i.e., positive results in terms of narrowly defined institution building objectives but negative overall impact on economic reform and political stability. Adequate up-front investments must therefore be made in sound political economic analyses and carefully designed program strategies. Following this critical step, appropriate GDP institutional strengthening activities with clearly defined short and long term objectives can be designed and then implemented. The three steps underlying this project process are shown in Figure 1.

**Figure 1**  
**Process Supported by the DIS Project**



The DIS Project provides nearly all the resources required by missions for GDP strategy development (Step 1) and most of the resources required for project design (Step 2). It then provides significant catalyzing support, including management resources, for implementing institutional strengthening activities (Step 3) that are in line with the project purpose.

The real impact of the DIS Project lies in the institutional strengthening activities. Because the NE missions are for the most part still in the strategy development phase (aside from a few small, primarily ad hoc activities), it cannot be known with certainty what specific institutional strengthening activities make the most sense in each country. This must logically follow from GDP strategies which the project will help develop. Nonetheless, three basic areas of accountability and several illustrative activities likely to be supported by the project under each are listed in Figure 2 (following page).<sup>2</sup>

It is anticipated that this first phase of NE GDP will require under five years and the DIS Project PACD of December 1996 reflects this estimate. However, it may require up to two additional years to complete this phase.

### C. Project Components

The DIS Project has three basic components: (1) a Technical Support Component implemented by a competitively selected institutional contractor and consisting of a broad range of technical support services and modest training and commodities; (2) a Bilateral Program Support Component providing matching funds for mission-generated institution building activities; and (3) an NGO Component providing funds for a limited number of US-based non-government organizations to carry out institutional strengthening activities. These three elements will be funded through separate earmarks under a single DIS Project authorization.

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2. Basic education and support for service-oriented (vs advocacy-oriented) NGOs are traditional A.I.D. assistance categories and may contribute indirectly to the maintenance of accountable democratic governance, but these are not included under the Agency's *Democratic Initiative*.

**Figure 2**  
**Illustrative Institutional Strengthening Activities**

**Public Accountability**

**Parliamentary institutions development**

- *development of library and research services*
- *development of committee structures*
- *introducing efficient bill drafting technologies*

**Municipal/local elected councils development**

- *training in planning and management principles*

**Multiple independent parties development**

- *development of an ability articulate platforms and organize campaigns*

**Electoral institutions development**

- *international observations of elections*
- *installation of vote counting hardware and software*
- *development of voter education programs*

**Advocacy-oriented NGOs (business associations, labor unions, women and minority groups, HR groups, etc.)**

- *developing research and member polling techniques*
- *developing policy analysis and lobbying capacities*

**Increasing the Free Flow of Information**

- *developing journalist training centers*
- *building up independent think tanks*
- *introducing public opinion polling*

**Legal Accountability**

**Strengthening the judiciary and courts administration**

- *improving legal education*
- *introducing in-service judicial training*
- *computerization of law & regulatory archives*
- *establishment of computerized case tracking systems*

**Improving constraints on official corruption**

- *special training in anti-corruption legal methods*
- *studies identifying weaknesses in legal oversight of bureaucratic practices*

**Development of commercial law systems**

- *establishing specialized courts for contracts law*
- *judicial/lawyer training on commercial codes*

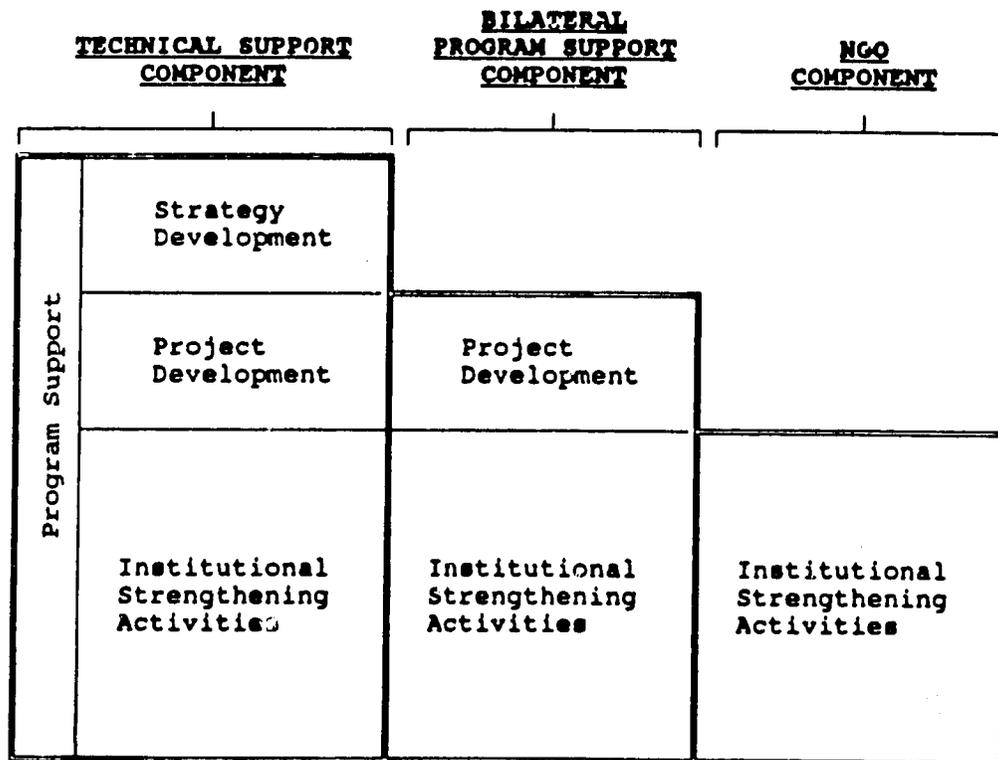
**Administrative Accountability**

- Development of internal auditing systems**
- Establishment of ombudsmen functions**

The overall relationships among the three project components and the ways each project component relates to the project process is shown in Figure 1. Though "institutional strengthening" may initially appear redundant across components, each component in fact supports different types of institutional activities as discussed below.

Figure 3

Components of the DIS Project



**1. Technical Support Component**

This component includes most of the project activity and provides support for all project process steps. It will be implemented by an institutional contractor (IC) under the close supervision of the USDH NE/DR Project Director. There are four basic elements under this component.

**a. Strategy Development Element**

The logical starting point for designing project interventions in specific countries is the development of carefully prepared program strategies based on a full analysis of likely outcomes of specific interventions. Two types of background analyses are required: political-economic reviews and political and legal institutional assessments. Methodologies for these studies are under development with prototype reviews and assessments for Egypt currently being carried out. The reviews and assessments will be tailored to the individual country circumstances and will be developed through team building exercises in A.I.D./W. The final step is then preparation of a mission GDP Strategy/Action Plan document (output: 4 to 6 mission GDP strategies or strategy updates developed)

1. Country Political Economic Reviews will focus on the configuration of political economic interests in a subject country and the role such interests are playing in government policy and in social and economic transformation. The key issue to be considered in these reviews include an examination of the current and potential relationships in the local context between economic liberalization and political liberalization. PE reviews should summarize the prevailing views on the likely impact of specific steps toward the latter on the former. Most importantly, the review should try to answer the question of the likely immediate and longer term impacts of political and legal institutional improvement on the prospects for economic reform.
2. Institutional Assessments will focus on the role and technical capacity of selected democratic and legal institutions (e.g., parliament, elections commissions, courts administration). These assessments will identify the major institutional strengths and weaknesses and what, as a technical matter, can be done to improve their efficiency and effectiveness.

3. Strategy/Action Plan Documents are the final step in GDP Strategy formulation and would follow from a determination by senior USAID management of exactly where a mission wants to focus its effort. Ideally this determination would utilize on the results of both the political economic review and institutional assessments. Bringing the two sets of information together would help the mission to determine where its assistance can best further both political and economic liberalization objectives. The strategy/action plan can be a relatively simple document. Depending on mission preference it would usually include at least the following sections: short background section, sections describing the major areas of program emphasis with specific objectives in those areas, and possible institutional strengthening activities, modalities/funding sources, management requirements and staffing, and a 2-3 year program development schedule, and a list of progress benchmarks/indicators for each major area of program emphasis.

**b. Project Development Element**

The next step is to develop a portfolio of activities which can achieve the country objectives as defined in the mission GDP strategy. This project development process will in some cases involve design of new institutional strengthening projects but in others (and this is probably the usual case) will involve the redirection of activities under existing mission projects. Several types of activities under the DIS Project will support this process including special studies, special topic workshops, and project designs. (output: up to 5 mission GDP programs in place; regional cooperation and information on democratic governance increased)

1. Special Studies/Workshops: In many cases, special studies will be needed to supplement information contained in the reviews and assessments. Such studies will often be combined with special topic workshops where more intensive review and examination of issues with A.I.D. and other USG personnel would lead to improved GDP institutional strengthening activity design and implementation. Two types of special study and/or workshop are anticipated: (i) Special Issues Studies in which the resulting findings can help in sharpening new activity design and implementation and thus the achievement of overall project objectives. Examples might include the role of fundamentalist movements in Near East politics or the legal status of women in rural Near East societies, and (ii) Institutional Diagnostics which will examine the potential for improving A.I.D. program

effectiveness in key development areas by introducing or strengthening mechanisms of accountability in host country decision-making. Examples might include assessment of political constraints to progress on decentralized planning and financial management, and strengthening mechanisms of accountability for agricultural services delivery.

2. Project Design: The DIS project will provide the technical assistance required for design of projects (or activities under existing projects) that support both mission GDP strategies within the limits of the DIS project purpose.

**c. Institutional Strengthening Activities Element**

Following the overall project strategy, USAID missions will in general be expected to initiate and manage GDP activities at the country level on a bilateral basis. However, in some cases it will prove more efficient to fund and manage selected pilot activities directly through the DIS Project. Two types of institutional strengthening activities anticipated under the Technical Support Component of the project: host country activities and region-wide networking activities. (outputs: 15-20 institutional strengthening activities implemented)

1. Host Country Institutional Strengthening Activities: These would be supported on a selective basis where the time required (i) to design a project or amend an existing project, or (ii) to receive country approval for use of already projectized resources, would be prohibitive. It is anticipated that this will most commonly occur where small-scale pilot activity needs to be implemented within a short time frame. To qualify under the DIS Project, such activities must be justified by bureau-approved mission GDP strategies. These institution building activities will take the form of sub-project activities undertaken directly by the Contractor in close coordination with respective USAID missions. Examples might include technical assistance for training a parliamentary research staff in use of an on-line database in Egypt or provision of technical assistance, training, and computers for a pilot effort to scan Arabic language court case findings in Yemen where these are always hand written. (See Figure 2 for an expanded list of illustrative activities under this category.)
2. Region-wide Institutional Networking: More accountable democratic governance in individual countries of the region can be both promoted and strengthened through region-wide activities. Most nations of the Near East share historical

roots as Arabic speaking, predominantly Islamic societies, most of which were under several centuries of Turkish Ottoman domination. Many later followed the Nasserist model in constructing state dominated economies. Most Arab countries now use modified versions of the 1948 Egyptian legal code. For these reasons, many of the current political and legal development problems faced by these countries are very similar. Building a region-wide contacts for sharing of experience, technical skills, and solutions can therefore be a major factor in improving democratic governance across the region. The DIS Project will support the building of region-wide institutional linkages on a limited and highly selected basis. For example, assistance might be provided for region-wide technical cooperation in key institution-building areas, such as facilitating translation into Arabic of existing computer software for law databasing, case tracking, and law drafting systems. The DIS Project will also occasionally provide resources for regional seminars and conferences dealing with topics related to democratic representation, rule of law, and administrative accountability, but will do so only in cases where objectives are clearly defined.

Following year 2 of the project and the external mid-term evaluation, Missions may be allowed to use an expanded buy-in mechanism to obtain project management support for additional (or follow-on) host country institutional strengthening activities using their own funds.

Criteria for the Selection of Institutional Strengthening Activities:

Since the possible range of activities is very broad as indicated in Figure 2, criteria permitting the rational selection of activities are important. While preliminary criteria are given below, these may require revision based on the results of the strategy development process.

1. The activity must either directly address a key objective under an bureau-approved mission GDP strategy, or if an approved strategy does not yet exist, the activity must be shown to support broader mission policy reform objectives.
2. A clear rationale must exist for not pursuing the activity out of a project mechanism at the mission level (e.g., a requirement for timely implementation which would not be possible except through the DIS Project).

3. The mission must provide the necessary staff input to ensure adequate in-country management of the activity.
4. Activities cannot provide support for organizations which advocate anti-democratic or violent political change, or which openly support social policies which would reduce basic personal liberties.

(An overlap between NGO grant-funded activities and an activity supported under this project component is acceptable if the two activities are mutually supportive. The IC is responsible for identifying such cases and notifying the A.I.D. Project Manager to ensure that there is no duplication of effort.)

**d. Program Support Element**

The Program Support Element consists of several key technical services considered essential to the effective implementation of the DIS Project. Three types of services are anticipated: field-based TA, technical advice to the NE Bureau, and development of a Management Information System.

1. Field-based Technical Assistance: Short-term TA (STTA) and long-term TA (LTTA) will be provided directly to missions for design, implementation, and evaluation services. This element of the project involves a separate requirements or Q contract with the IC, allowing missions to buy-in to cover TA requirements which cannot be covered by other elements of the project. STTA assignments will be useful for limited purposes, especially for evaluation exercises. The IC will recruit, field, and support short-term TA services. However, it is expected that this option will be particularly useful for establishing long-term PSC-type positions to assist in the implementation of mission-based GDP institutional strengthening activities. The advantage of using LTTA under the DIS Project rather than under a direct PSC is that the former would be closely tied to the project's Washington-based technical unit and the special backstopping expertise provided through the project.
2. Bureau Technical Advisory Resources: Democratic political and legal institutional development is a relatively new development area for A.I.D., at least on the scale involved under A.I.D.'s new *Democratic Initiative*. Numerous opportunities exist for integrating principles of improved accountability into wide range of mission and regional activities. However, to respond effectively to these needs, the requires timely conceptual inputs on at key

decision points. Bureau GDP staff officers have not been able to respond adequately to requests for input on such critical issues--one example concerning analysis of political dimensions of the NE Bureau water strategy. A small amount of LTTA time will therefore be allocated under the project for this purpose.

3. Management Information System (MIS): The project will produce a significant amount of information and must track developments in the political and economic environment. A management information system for monitoring and evaluation will be essential for effective implementation of DIS. The MIS will be organized to provide feedback information for project decision-making and NE Bureau regional GDP implementation. Key indicators at the project and program level will be developed, baseline data collected, and progress monitored. Developments in Mission governance programs and the NGO grants will also be tracked as part of providing information of relevance to the selection of project activities and to the purpose and goal level assumptions (or hypotheses) upon which this project is based. The contractor will have overall responsibility for the MIS and monitoring. Users of the MIS will include A.I.D./W, the Missions in the Near East Bureau, and the contractor.

## 2. Bilateral Program Support Component

This component provides an additional funding source to catalyze mission development and implementation of bilateral governance programs. Resources will be provided in the form of direct transfers to missions on a matching basis (50-100% of activity costs) for obligation through existing or new mission-level contract or grant mechanisms. This component is primarily designed for missions with well-developed GDP strategies and existing obligation mechanisms, but a shortage of OYB funds for investing in specific institutional strengthening activities. In some cases, missions may use these funds for project design activities. Mission proposals for transfers will be reviewed and selected semi-annually according to how well they meet screening criteria. A.I.D./W will select among proposals and provide funding sites for these funds. The IC will provide technical advice to the A.I.D. Project Manager on the feasibility of proposed activities and will provide limited MIS tracking data on activities as they are implemented.

Criteria for the Bilateral Program Support Funding:

The possible range of institutional strengthening activities is broad as indicated in Figure 2 and criteria permitting a rational screening of activities are important. The criteria are provisional and may require revision based on the results of the strategy development process.

1. Missions must have in place or must be taking significant steps towards establishing a GDP strategy. Where approved strategies exist, proposed activities must support mission GDP objectives. Where strategy design is still in progress, proposed activities must (a) be shown to support broader mission policy reform objectives, (b) must be short-term (less than 12 months duration; (c) must not commit the Mission to follow-on activities; and (d) should preferably provide a basis (information, contacts, etc.) for follow-on if this makes sense under the GDP strategy once finalized.
2. Missions must have a local obligating mechanism and must have adequate support staff to ensure proper management of the activity.
3. Activities cannot provide support for organizations which advocate anti-democratic or violent political change, or which support social policies which would reduce basic personal liberties.

3. NGO Component

The DIS Project will provide resources for selected U.S.-based NGOs for institutional strengthening activities which support the project purpose and goal. The NGO Component is specifically limited to supporting important institutional strengthening activities in cases where there is host country interest, but where USG involvement either directly with USDH or indirectly through a contractor, could be sensitive. An example might be work with the host country on elections observations and strengthening electoral institutions. In such cases, it is preferable to provide resources through a grant or cooperative agreement to a well-established international NGO which has the required expertise. It is anticipated that NGOs working in two types of GDP activities will be supported under this component: NGOs working on key national institutions (e.g., elections observation and strengthening electoral commissions) and NGOs working with selected local advocacy-oriented organizations (e.g., business associations or labor unions). It is expected that approximately five and not more than twelve US-based NGOs will be awarded grants within the first three years of the

project. One or more of these NGOs may choose to work with smaller, indigenous NGOs to strengthen the advocacy functions and management capacity. The ceiling for individual grants is

Funding under this component may be used to buy into existing NGO cooperative agreements. (output: at least 5 grants made)

NGOs proposals qualify for consideration of funding under DIS if they meet criteria outlined below. There are two sets of criteria listed: The first set screens potential recipients of the primary grants. The second set provides guidelines for US-based NGOs which will be working with host country NGOs.

Criteria for the Selection of US-based NGO Grant Proposals:

1. Activities proposed must support DIS Project objectives and preference will be given to proposals which support Mission GDP strategies.
2. NGOs must be A.I.D. registered (except for AFL-CIO affiliates and others not required by law to register).
3. The NGO must have successfully implemented activities in the past similar to those proposed.
4. The NGO must have a track record in the NE region, preferably in the country or countries in which it proposes to work.
5. The ceiling for a grant is \_\_\_\_\_ and the minimum is \_\_\_\_\_. NGOs can be considered for a continuation or new grant, depending on the results of the first grant. However, except under special circumstances the combined total grants with any one recipient should not exceed \_\_\_\_\_.
6. The NGO must be able to submit financial and other reports in English.
7. An NGO that is proposing to work with one or more indigenous NGOs must demonstrate that the proposed activities and institution(s) to be assisted meet the criteria outlined in the following section, "Criteria for GDP Grant Fund Proposals Targeting Local NGOs."
8. Activities proposed for individual countries where USAID Missions exist must have Mission approval.
9. Except in special cases, the NGO must meet standard USAID requirements for NGO counterpart funding (i.e., a minimum of 25% of the NGO's funding must be derived from non-USG sources).

Criteria for GDP Grant Fund Proposals Targeting Local NGOs:

1. Grants will only be awarded for the development or strengthening of a local NGO's ability to participate in policy reform efforts and/or advocacy functions and not for service delivery;
2. Grants can be awarded for policy formulation (research and analysis) and dissemination (printed materials, audio-visual materials, seminars and workshops, lectures) for major issues facing a country or a region within the country. Preference will be given to proposals aimed at stimulating greater dialogue and discussion on issues related to economic and social policy reform or improved policy implementation;
3. Local NGOs must have a financial management system in place and must be open to external audit.
4. Proposed activities must be "implementable" under present legal codes. The NGO must not advocate violent social change and must not be opposed to equal personal or civil liberties.
5. The local NGO must be registered as a legal entity in the country in which it is based. It must have a charter and Board of Directors. The Board must meet at intervals called for in the charter.

C. End of Project Status

The objectively verifiable indicators at the purpose level, usually called the *EOPS* or *end of project status*, are particularly important from a design and implementation viewpoint. While it is the project outputs for which A.I.D.'s project implementors will be held accountable, it is the EOPS that reflect the anticipated situation that will obtain at the end of the LOP, as a result of project activities. For this project, the EOPS are of two types--those pertaining to the situation in the countries of the region, and those that pertain to A.I.D.'s internal capacity to work effectively in the areas of democracy and governance in the region. The EOPS are:

1. Selected political systems in the region are characterized by increased public access to information and increased public participation in the policy reform process.
2. Selected public and constituent interest groups in participating countries are strengthened.

3. Four NE Bureau countries have legal and judicial institutions that are more efficient, and are more effective in ensuring proper implementation of government policy.
4. Three NE Bureau countries have more efficient parliamentary bodies that are more effective participants in government policy formulation and implementation.
5. Increased intra-regional interactions occur among institutions and organizations that support more open and accountable governance.
6. A.I.D. Missions in the region are better able to design and implement GDP activities in support of their policy reform objectives.

Changes in the EOPS may be appropriate in the course of project implementation as lessons are learned about the relationships among the processes of democratization, improved governance, and policy reform and improved policy implementation.

#### **D. Project Outputs**

The project has four main *outputs* through which the purpose will be achieved. It is these outputs that are within the manageable interest of the project's implementors. The outputs are:

1. Governance and Democracy Program (GDP) strategies developed for 6 NE Bureau countries;
2. Mission-based governance and democracy programs in place in 5 NE Bureau countries;
3. At least 18 democratic political and legal institutional strengthening activities implemented in NE Bureau countries;
4. Increased regional cooperation and information exchange on development of increased public, legal, and administrative accountability.
5. 5 grants made to NGOs.

The Objectively Verifiable Indicators (OVIs) for these outputs are stated as much as possible in terms which are quantitatively measurable. In the logical framework, they are presented together with proposed means of verification which are well

within the manageable interest of the project, and should not require the generation and analysis of large amounts of additional data or information (see Annex F).

As the project is characterized by a "rolling design" process and as the situation in the region is changing fairly rapidly with regard to policy reform, democratization and improved governance, it is important view the Output OVIs as illustrative. This is true for three reasons:

First, based on the results of background analyses, Missions may or may not choose to pursue a particular type of institution building activity. For example, an assessment might lead to the conclusion that working closely with the parliaments in both country x and country y would likely advance the process of economic and social policy reform. However, while it may be politically feasible to include work with parliament country x, it may not be possible to do so in country y. Therefore, the exact number of parliaments that will have been strengthened--as opposed to judicial systems, for example--cannot be determined at the outset of the project.

Second, this regional project serves as a catalyst for bilateral activities which will be implemented by field Missions in collaboration with host governments or non-governmental organizations in their respective countries. The bilateral mission support component will provide funds, especially in the first year or two of the LOP, to "jump start" activities which appear likely to achieve the project's purpose. Those activities that are successful and that can be expanded would then form the basis for full-scale bilateral activities later in the project. The DIS project can assist with design of these projects, but the bureau has no control over the decisions Missions and host countries will make about the nature and content of those subsequent projects.

The third reason why the OVIs must remain illustrative at the output level is that the situation in the region--as elsewhere--with regard to the pace of governance and economic policy reform, is evolving. Important new opportunities in this program area may well emerge over the next few years. Moreover, it is conceivable that additional Near East countries beyond those planned at this point could may be added.

For these reasons, the quantitative dimensions of the project outputs must to some extent remain flexible. This issue will be reexamined annually when workplans are approved.

**E. Project Inputs**

The inputs necessary to achieve these objectives are: USDH technical direction and project management, contracted technical assistance, participant training, and commodities in foreign exchange and local costs. Of the 520 person months needed to implement this project, 122 are USDH personnel and 358 Contractor personnel.

The Life-of-Project cost of \_\_\_\_\_ includes:

Of this, \_\_\_\_\_ are local costs and the remainder \_\_\_\_\_ for foreign exchange costs.

Further elaboration of these inputs appears in the Financial Analysis section (Annex A) and in the Log Frame (Annex F).

**III. IMPLEMENTATION PLAN****A. Project Management**

The Governance and Democracy Program Officer of the Near East Bureau will direct the DIS Project. Project activities will be implemented under the supervision of personnel in three locations: A.I.D./Washington, the Project Technical Unit (PTU), and the USAID Missions. The relationships between these entities will be of four types: 1) direct management service and technical support relationships; 2) direct funding transfers and buy-ins; 3) review and approval of activities and funding requests, and 4) reciprocal relationships under NGO grants and regional activities. DIS Project management relationships are shown in Figure 4 (following page).

**1. A.I.D./Washington**

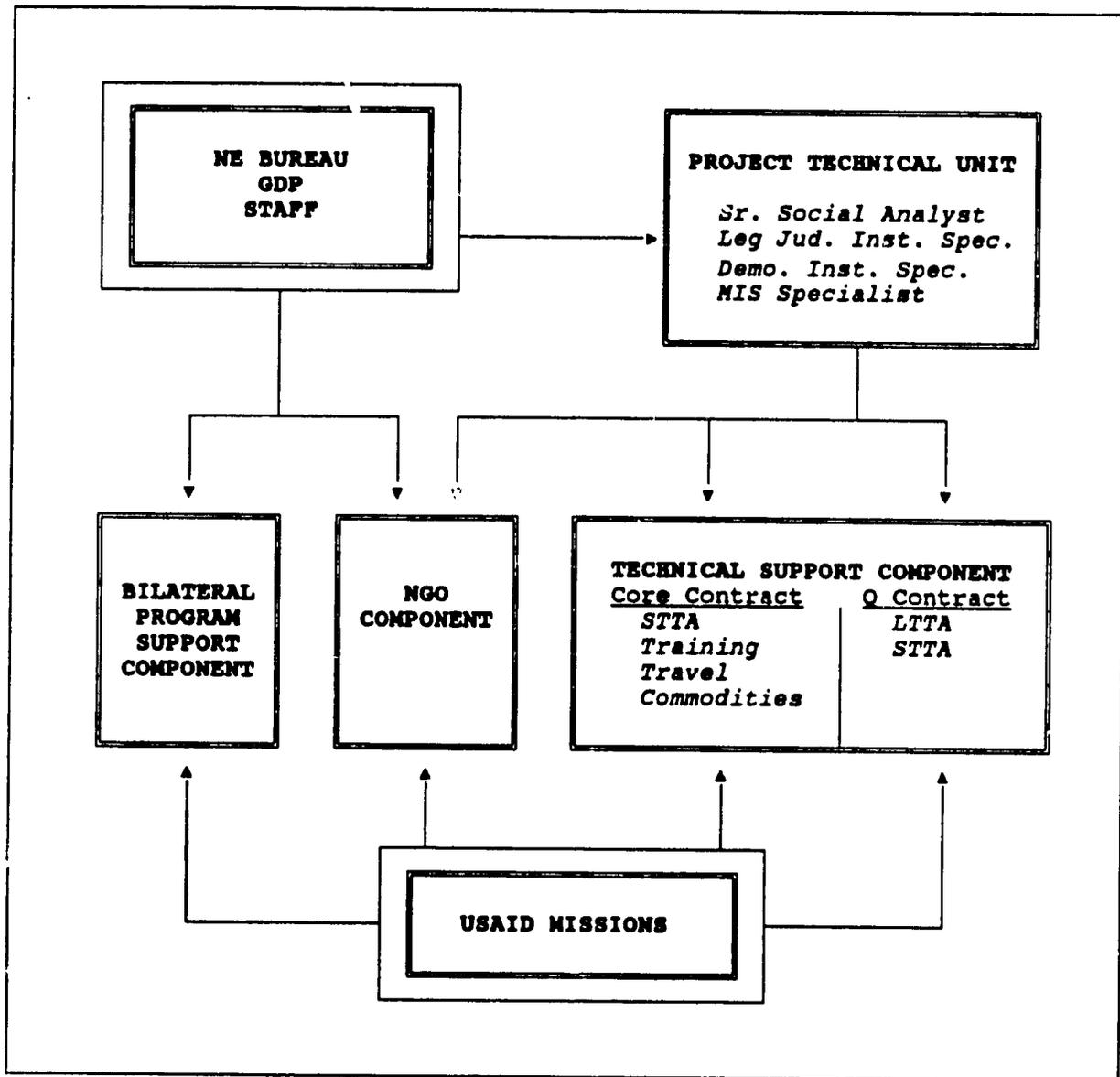
The management of the DIS project is organized to support USAID Missions to initiate governance and democracy activities in their countries. Technical direction and direct project management will be the responsibility of the Governance and Democracy Program (GDP) Officer and staff in the Human Resources Division, Office of Development Resources of the Near East Bureau. The GDP Officer or his/her designee will serve as A.I.D. Project Manager for DIS.

The Project Manager will be responsible for the technical direction of all project activities including the review of Mission GDP proposals for funding under project transfers and the review of NGO proposals to be funded under project funds. This centralized direction is necessary in order to focus, coordinate, and provide quality control to NE Bureau governance and democracy program activities as they are initiated. Technical direction will include review and approval of all project personnel (short and long term), all scopes of work, all proposals, all designs, and draft reports on all project funded activities.

The Project Manager will be supported by the DIS Project Committee composed of representatives of the NE Project Development Division, Development Program Office, ENA and ME Desk Offices, General Council, and others as necessary to provide clear guidance and review of implementation with respect to AID policies and regulations. The Assistant Administrator of the Near East Bureau will authorize the DIS project and the NGO grants to be funded under the project. The Director, Office of Development Resources, will approve Mission transfers. The Core and Q contracts, NGO grants, and buy-ins to the Q contract will

be executed by the AID/W Contracts Office. Obligating documents for funds transferred to Missions will be executed by Mission Contracts Officers.

**Figure 4**  
**DIS Project Management**



## **2. Project Technical Unit (PTU)**

The Project Technical Unit (PTU) consists of contract personnel located in an office within walking distance of the Near East Bureau Offices in State Annex 2. The PTU will provide technical assistance and management support to the Project Manager for (a) NGO Grants; (b) short term TA, travel, training, and other inputs furnished under the Core Contract; and (c) short and long term TA supplied under the Q contract. The PTU MIS will cover all AID-funded GDP activities in the Near East region, including regional, NGO, and Mission activities.

The technical staff of the PTU is expected to consist of a *Senior Social Analyst*, a *Democratic Institutions Specialist*, a *Legal/Judicial Institutions Specialist*, and a *Management Information Specialist*. Each of these will provide direct technical assistance and each will also provide some technical and management support for short term personnel. This latter responsibility has the affect of raising the overall staff costs of the PTU team taken as a whole and this is shown in the Administrative Analysis annex.

The PTU Specialists will be performing an advisory function for the NE Governance and Democracy Program. The relationship between the Project Manager and the PTU team will be close but structured. Work by the team will be determined by approved annual workplans, although in the start-up phase of the project, an initial six-month workplan will be developed. The Project Manager will interact on technical issues directly with all team members. Internal to the PTU, the Senior Social Analyst will serve as the Technical Coordinator and will be responsible for the management of PTU staff and for general office management to ensure that approved workplan outputs are produced in an orderly and timely manner. S/he will have the support services of the Administrative Assistant who will be responsible for general office management.

## **3. USAID Missions**

A.I.D. Missions of the Near East region will receive technical, limited commodity, and management support to plan, initiate, implement, and evaluate GDP activities in their countries. Missions will: (a) review all core contract activities proposed for their countries; (b) approve all country GDP strategies, assessments, and designs developed under the DIS project; (c) prepare requests for technical services under the Q contract; (d) provide country clearance for all project travel; (e) review and approve all NGO grants for activities in their countries; (f) prepare proposals for activities under project

transfer funding; (g) provide direct management for all GDP activities funded under project transfers; and (h) provide in-country management of institutional strengthening activities carried out with project resources. Missions will provide local management and logistical support to short and long term technical advisors provided to them under the project. Missions will also be expected to participate in and provide support as necessary to regional activities, such as identifying participants from their countries and hosting regional conferences and workshops funded under the project.

All activities funded under the DIS Project are to be managed by AID direct hire and/or contractor personnel. Preferably USAID Missions will organize GDP Project Committees to advise on technical and policy related matters and coordinate with other USG entities involved in bilateral relations, e.g., the State Department, U.S. Information Agency, the Commerce Department, the Justice Department, and others as desirable. This coordination is necessary to share technical information and lessons learned, to coordinate programs of the various agencies to achieve a specialization of effort in different areas of expertise and to review activities for consistency with foreign policy and development objectives for that host country.

In countries where there is no A.I.D. Mission (such as Lebanon and Algeria), the A.I.D. Desk Officer will serve management functions for the purposes of this project.

## **B. Project Sites**

Project PTU staff will be Washington-based travelling to countries in the Near East geographic region. Extensive travel may be required. Short term technical assistance will provide services both in Washington and the field.

Under the Q contract, it is anticipated that three to five long-term technical advisors may be placed in the field, though actual number will depend on Mission demand over the life of project. The advisors would work primarily in the country in which they are based, but could be available to other Missions on a short-term basis. Multi-country responsibilities of a technical advisor will be agreed upon by all involved USAID Missions during the preparation of the specific scope of work for that advisor.

Project activities are designed to take place in any country in the Near East region that can legally receive A.I.D. assistance. In general, activities are expected focus on countries in which A.I.D. has existing programs and an in-country presence.

In-country institutional strengthening activities will be part of all project components, though the way in which they are staffed, managed and funded will differ from one component to another.

### **C. Administrative Procedures**

#### **1. Management Information System**

The Project will develop and maintain a GDP management information system (MIS) that will cover Core and Q Contract elements, NGO Grants, and Mission managed GDP activities funded under both project transfers and Mission funding. The MI Specialist (with technical support from other PTU advisors) will develop a design for the MIS organization, information coverage (key GDP indicators, project activity tracking, regional statistics), reporting schedules, and feedback action loops. This design will be submitted to the Project Manager for review and approval. Reports generated under the MIS will be cleared by the Project Manager in draft.

#### **2. Program Development and Institutional Strengthening Elements**

Designs and scopes of work for the studies and activities carried out under these elements will be developed by the PTU and approved by the Project Manager and USAID Missions. Short term personnel will be selected by the PTU with the concurrence of the Project Manager. Strategies, assessments, political-economy studies, conferences, workshops, and special studies will be planned and managed by the PTU team under the technical direction of the Project Manager. Project designs, institutional strengthening activities, and regional networking activities will be developed and implemented by the PTU to be consistent with country and regional strategies. All activities will be approved by the Project Manager and the USAID Missions in the countries involved.

Procedures for selecting and implementing institutional strengthening activities are anticipated to be as follows: The PTU and the Project Manager will begin with a re-examination of the criteria set out in this PP for the selection of institutional strengthening activities and the DIS Project Committee will revise these criteria as appropriate. Feedback from the Missions on the criteria will be solicited. Based upon these consultations, a list of potential institutional strengthening activities (similar to those shown in Figure 2) will be prepared

by the PTU. Missions will then be invited to submit brief concept papers (1-2 pages) on an as needed basis to the Project Manager for activities which meet approved criteria and for which they want to request DIS resources. Following initial Project Manager approval of these requests (subject to limitation of funds and meeting screening criteria) Missions will be asked to prepare more complete proposals clarifying activity purpose, how the activity will further Mission GDP objectives, why the activity should be carried out under the DIS project rather than with local resources, DIS project resource requirements, management plan, schedule, budget, and plan for evaluation. Proposals will be approved by the Project Manager. Activities will then be implemented as appropriate by PTU long term staff or by short term technical assistance provided by the IC.

### 3. NGO Grants

The PTU will prepare an information sheet describing the GDP Grants Program and solicit proposals from interested non-governmental organizations. Not less than five such grants will be awarded over life-of-project. The Assistant Administrator for the Near East Bureau will approve NGO proposals for funding. Once the grant documents are signed, the PTU and host Mission(s) will be responsible for monitoring the grantee's work and its financial reporting. The grantee will submit quarterly reports (including expenditure data) to the Project Manager and the PTU MIS. The PTU will provide short term TA for evaluations of NGO Grants when needed.

Procedures for selecting and funding NGO grants are anticipated to be as follows: The PTU will examine the criteria listed in this PP for awarding NGO grants and recommend changes to the DIS Project Committee which will determine whether any revisions are required. Based on the discussion of purposes of the NGO Component (Section II-C-3) the PTU will propose a list of those areas in which NGO grants would be most appropriate. The PTU will prepare a leaflet describing the NGO grant fund, the areas of work for which a grant could be awarded, the criteria that must be met to receive a grant, and the proposal submission process including a proposal format. This will be circulated to the NGO community through appropriate means. The selection of grantees will be made by a the DIS Project Committee and approved by the Assistant Administrator of the Near East Bureau. Activities to be carried out by NGOs in specific NE countries must be approved by appropriate USAID Missions. The PTU will advise the DIS Project Committee on the substance of proposals, adherence to the criteria, and the estimated competence of the NGO.

Up to three grants will be awarded during the first year (limited grants may be made in exceptional cases before the PTU is fully in place). In some cases, NGO Component funds may be used to support activities through amendment to an existing grant.

#### **4. Bilateral Program Support**

This element provides funds to Missions that require resources supplemental to their OYB in order to carry out GDP activities. The Project Manager, DIS technical advisors, and Mission staff will work together to identify activities suitable for funding under this element once political-economy studies, country strategies and action plans have been developed. Missions will prepare proposals with the assistance of TA from the DIS project when needed. These proposals will be reviewed by the Project Committee and approved by the Director, NE Office of Development Resources. Activities will be managed by the Mission staff with reporting to the PTU MIS. The PTU will provide short term TA for evaluations when needed.

Procedures for selecting and providing funds under the Bilateral Program Support Component are anticipated to be as follows: The first transfers under this component will be made during the second or third quarter. These funds will be provided on a matching basis (50-100% of costs) with matching levels depending on the availability of mission funding. Transfers will be provided competitively semi-annually based on a two stage process. The first stage will involve a review of brief (one-two page) concept papers from the Missions. Activities will be screened based on their fit with Mission and Bureau GDP strategies and with the criteria established for this component. The second stage will involve review of fully developed proposals prepared by the Missions. These should clarify activity purpose, how the activity will further Mission GDP objectives, DIS project resource requirements, management plan, schedule, budget, and plan for evaluation. Selection decisions will be made by the DIS Project Committee and approved by the Director, NE Office of Development Resources. The PTU will provide technical input during proposal reviews, facilitate communication, and provide tracking of the implementation of those activities funded.

#### **5. Field Based Technical Assistance**

Missions may transfer their funds (or buy-in) to the Requirements or Q Contract for short or field-based long term technical assistance for project design, implementation, and evaluation. Scopes of work for the buy-ins will be prepared by

the Missions with assistance from the Project Manager and PTU technical staff as needed. The PTU will identify, contract (with Project Manager and Mission approval), and manage the technical assistance provided under the Q Contract in the same manner as under the Core Contract. However, personnel obtained through the Requirements Contract will also receive technical guidance from and will report on a day-to-day basis to the USAID Mission for which they are working. Missions will provide reports on activities implemented under the Q Contract to the Project Manager and the PTU MIS.

#### **D. Illustrative Workplan**

##### **A. Year 1**

The contractor's first tasks will be to: (1) establish an office, (2) to develop the first six-month workplan for approval by the Project Manager and (3) to hold the first Project Planning Meeting. Preparing the workplan will require a review of relevant Mission and Bureau efforts to date and an assessment of current priorities and long range objectives. The workplan will be completed in thirty days and will be approved by the Project Manager within 15 days. A second six-month workplan will be developed by the contractor before the close of the first five months and will also be approved by Project Manager. The Project Planning Meeting will be held during the first month of the project in Washington DC over a three to five day period to review project goals and objectives, roles and relationships, and the first six-month workplan.

The Management Information System will be established. Short-term TA may assist in the design of this system and to get it up and running. Thereafter, an assessment will be made as to whether a full time person is required to maintain the system and to provide further development.

The Team Coordinator will prepare quarterly reports.

The PTU will review any political economy reviews, institutional assessments, and/or Mission GDP strategies completed prior to contractor start up. Two new political-economy reviews, three new institutional assessments, and one new strategy design will be selected and scheduled for the first year. Methodologies for performing the reviews and assessments will be developed and refined. Specific reviews and assessments will be tailored to the individual country circumstances. Orientation and team building workshops as well as debriefing sessions will be held in A.I.D./W.. Similar meetings will also be held in the field with relevant Mission staff attending.

## DEMOCRATIC INSTITUTIONS SUPPORT PROJECT

Completed strategies will be reviewed by the Project Manager and approved by the Mission. In addition, the PTU may provide support for the design of Mission programs or projects, including the writing of project documents (PIDs and Pps). This support could be funded through the Core Contract Program Development Component or through a Q Contract buy-in mechanism.

The PTU, in close communication with Mission GDP Officers and the Bureau Project Manager, will assess regional networks or associations that already exist and might be strengthened. It will also identify categories where a regional network could be built that could support the course of economic and political liberalization. A priority list of networks to be strengthened will be developed.

The PTU and the Project Manager will re-examine the criteria set out in this PP for the selection of institutional strengthening activities and will revise these criteria as appropriate. Feedback from the Missions on the criteria will be solicited. Based upon these consultations, the PTU will submit a list of potential institutional strengthening activities to the Project Manager for approval by the DIS Project Committee. This will be provided to Missions and proposals will be considered on an ad hoc basis as discussed above under Administrative Procedures. The PTU will provide technical advice on proposed activities and proposals will be approved by the Project Manager. Approximately four institutional strengthening activities will be carried out in the first year.

The funding will be made available under the Bilateral Program Support Component to Missions on a competitive basis when funds become available possibly in the second or third quarter of the project. Mission proposals will be reviewed and approved as described earlier. The PTU will provide technical input to assist the Project Committee in its decisions.

As soon as possible, the PTU staff will examine the NGO grant selection criteria, propose appropriate topical areas for NGO grants, and carry out other activities described under Administrative Procedures in preparation for provision of grants under this component. Up to three grants will be awarded the first year of the project.

The special expertise of the Sr. Social Analyst, Legal/Judicial Institution Specialist, and Democratic Institutions Specialist will be drawn on an ad hoc basis to advise Bureau and Mission management on issues related to democratic political and legal development issues. The MIS specialist will track various external sources and other donor information on issues related to the project purpose and will make these available in a suitable

form to the PTU team, to Missions, and to the NE Bureau through the Project Manager; included in this effort will be a monthly NE GDP Newsletter.

**B. Years 2 through 4**

Implementation will continue over years two, three, and four according to the illustrative plan shown on the following pages. Annual obligations will be made based on draft workplans for the following fiscal year that are prepared in the third or fourth quarter of each project year.

## IMPLEMENTATION PLAN REQUIREMENTS OVER 4 YEARS

	Total	Yr 1	Yr 2	Yr 3	Yr 4
<b>A. TECHNICAL SUPPORT COMPONENT</b>					
1. Program Development					
a. Strategy Development					
PE reviews	4	2	1	0	1
inst asses	8	3	3	1	1
strat designs	6	1	1	1	2
b. Project Development					
studies/proj des	10	2	3	2	3
inst diag studies	6	1	1	2	2
workshops	4	1	1	1	1
2. Institutional Strengthening					
a. Host Country Activities					
proposal reviews	18	4	6	6	2
inst streng act	12	3	4	4	1
MIS tracking		x	x	x	x
b. Region-wide Networking Activity					
confer/workshops	4	0	1	1	2
3. Program Support					
Region TA-bkstp - Core Contract			1	1	1
Country TA-bkstp - 'Q' Contract		1	2	2	2
Technical Advisory Resources		x	x	x	x
MIS		x	x	x	x
Other activities		x	x	x	x
Coord/admin		x	x	x	x
<b>B. BILATERAL SUPPORT COMPONENT</b>					
proposal review	12	3	3	3	3
MIS tracking		x	x	x	x
<b>C. NGO COMPONENT</b>					
proposal review	12	5	5	2	
grants manage	6	3	2		
MIS tracking		x	x	x	x

DIS IMPLEMENTATION PLAN  
PROGRAM MANAGEMENT

PROJECT ACTIVITY	YEAR	19 93				19 94				19 95				19 96					
	QUARTER	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PROJECT AUTHORIZED CONTRACTS AWARDED ANNUAL OBLIGATION EVALUATIONS AUDIT	APRIL 1992 AUGUST 1992	X X			X			X X				X X							X
Establish US office				X															
PTU Staff in place				X															
First Six Month Work Plan				X															
Annual Project Planning Meetings				X				X				X							X
Second Six month Work Plan						X													
Management Information System					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Quarterly Reports				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Final Report																			X

63

### C. Monitoring and Evaluation

The attached Logical Framework (Annex F) lays out provisional key indicators and the means of verification for goal, purpose, output and input levels. The objectively verifiable indicators have been discussed in earlier sections of this Project Paper. The means of verification have been chosen to tap existing sources of information. However, it is important to keep in mind that this project is designed to produce baseline data that will permit the selection of appropriate project activities, as well as allowing later determination as to whether those activities contributed to the project purpose.

Studies of various kinds will be undertaken throughout the four year LOP to provide and then later refine the body of information which will help tell us about the links between political, public, and legal accountability and economic liberalization in the region.

The Management Information System for decision-making, monitoring and evaluation is particularly important. Developments in Mission funded GDP activities will also be tracked because they may provide information of relevance to (a) the selection of project institutional strengthening activities, (b) the purpose to goal level assumptions upon which this project is based, and (c) general lessons learned concerning the design and implementation of A.I.D. governance programs. The PTU will have overall responsibility for the MIS and monitoring. Users of the MIS will include A.I.D./W, the Missions in the Near East Bureau, and the PTU staff.

An important issue related to programming in the area of democratic governance is the need for developing appropriate performance indicators which can adequately gauge the impact of institutional strengthening activities. Sound indicators, often of a quantitative character, can be identified for narrowly defined activities. For example, improvements in the quality of output of a parliamentary research service might be measured through increases in the number of requests for topical briefing papers by parliamentarians. Such indicators are highly specific to conditions in a given country's institutions at a given point in their development. More of a challenge is identifying indicators of overall institutional performance over time--e.g., measurement of the effectiveness of the parliament in channelling broader public interests into executive policy formation processes. The Agency as a whole has found measurement at this level in democratic initiatives to be difficult. Specific indicators will be developed for each DIS institutional strengthening activity as a normal part of activity design. Project resources, including at least one specialized workshop, will also

be invested (in coordination with CDIE and other bureaus) in developing higher level "institutional effectiveness" indicators.

With respect to the NGO Grants, the PTU is responsible for ensuring that the grantee has an adequate management information system, including baseline data, so that some conclusions concerning the impact of the grant can be drawn. The grantee should also have an evaluation plan. PTU staff will review these data and incorporate them into its own MIS, in order to inform overall GDP decision-making. The PTU will also conduct a formal evaluation of the grantee's work and will share the report with the grantee, A.I.D./W, and the Mission(s).

The PTU will incorporate activities funded under Mission transfers into the MIS and will provide technical assistance for evaluation of these activities.

Two formal external evaluations will be scheduled--one at mid-point, and the other at the end of the project. These will be A.I.D./W's responsibility. While these evaluations will examine contractor compliance and performance, the focus will be on the conceptual framework and underlying hypotheses and assumptions that underpin this project and the Bureau's approach to governance and democracy programming for the Near East. The evaluation will cover both project outputs delivered as planned and the broader economic and social effects, both planned and unplanned, of project activities. The evaluation teams will spend time in Washington interviewing A.I.D. NE Bureau and other A.I.D. GDP staff, contractor personnel, and NGO staff, as well as reviewing project documentation, and then will visit the countries where project activities are underway. Evaluation team members will interview Mission personnel, government officials, and NGO staff and visit project activity sites.

#### **IV. SUMMARIES OF PROJECT ANALYSES**

##### **A. Administrative Analysis**

The main participants in the project are 1) NE Governance and Democracy staff; 2) Contractor staff of the Project Technical Unit (PTU), 3) Non-governmental organization grantees (and their sub-grantees); 4) USAID Missions, and 5) Host country governments. The Governance and Democracy Program Officer of the Near East Bureau will serve as DIS Project Manager.

Supervision of project activities in three locations-- A.I.D./Washington, the Project Technical Unit, and the USAID

Missions--and the relationships between these entities was described under Section III - Implementation Plan.

The Project Manager will be responsible for the technical direction of all project activities including the review of Mission GDP proposals for funding under project transfers and the review of NGO proposals to be funded under project funds.

The Project Technical Unit (PTU) will provide technical assistance and management support to the Project Manager for (a) NGO Grants; (b) short term TA, travel, training, and other inputs furnished under the Core Contract; and (c) short and long term TA supplied under the Q contract. The PTU MIS will cover all AID-funded GDP activities in the Near East region, including regional, NGOs, and Missions. The Contractor team will consist of long-term technical assistance including the Social Science Analyst, a Legal/Judicial Institution Specialist, a Democratic Institution Specialist, a Management Information Specialist, and an Administrative Assistant. This core team will be supplemented by experts for short-term assignments arranged by sub-contract to deliver services both in Washington and the field. Contractor services will be delivered in approximately equal amounts of time in Washington and at the field Missions.

USAID Missions of the Near East region will receive technical, limited commodity, and management support to plan, initiate, implement, and evaluate GDP activities in their countries. Missions will be expected to provide direct management for all GDP activities funded under project transfers. Missions will provide local management and logistical support to short and long term technical advisors provided under Mission buy-ins to the Q contract. Missions will also be expected to participate in and provide support as necessary to regional activities, such as identifying participants from their countries and hosting regional conferences and workshops funded under the project.

#### **B. Social Soundness Analysis**

There is considerable debate in academic circles over whether the political culture of the region can accommodate or provide a foundation for political liberalization. This debate has intensified in recent years with the growing strength of religious fundamentalist groups. The intense and growing rejection of the apparent dependency of some states in the region on the West, as well as the entry of Western, materialist values, could harm the prospects for democratization, if democracy comes to be identified as a Western political form which Western powers seek to impose for their own ulterior purposes.

Arab political culture is elastic and not monolithic. It is not only made up of Islamic principles and traditions, although these are important components. Political authority patterns differ somewhat from country to country, although there are certainly similarities. Even among the Islamic determinants of political culture, one can turn to principles that could underpin democratization and others that could provide a foundation for continued authoritarian rule.

Direct beneficiaries of this regional project include those who wish to play a role in politics and who support economic and political liberalization, members of the judicial and legislative branches who want to perform their public duties in the context of stronger and more effective institutions, members of the executive branch who support economic and social policy reform and care about effective implementation, and those who wish to participate in a broader sense in policy formulation (i.e., social scientists who have the tools to analyze national problems and the freedom to openly oppose government decisions and publish their views). Indirect beneficiaries include major portions of the population, including disadvantaged groups, who will benefit both from improved public, legal, and administrative accountability and from improved policy choices and implementation. In a more general sense, the governments of the Near East region will benefit because they gain legitimacy from improved accountability and better policy choices.

### **C. Technical Analysis**

Governance and democratization programming is relatively new in the international development community. It evolved in part to take advantage of and support growing demands for democratization in many previously authoritarian countries, and in part due to a growing recognition that the constraints to economic reform were not simply technical (or even administrative) as much as they were problems of "political will."

At least two different historical paths are possible in the pursuit of rapid economic growth under open market private sector driven policies. The first is for a government to set policy without broad public consultation. Opposition in this case must be dealt with through relatively authoritarian means. Once significant growth has occurred, public demands eventually leads to process of political liberalization. Chile and the NICs of East Asia serve as examples of this model. The other option is to begin with a process of partial political liberalization--allowing a freer flow of information and wider participation, which gives reform-minded constituencies an opportunity to have

direct influence over the policy formulation process. Such an arrangement can improve oversight of executive actions, check the influence of narrow special interests, increase government legitimacy, and build consensus for sensible policy choices. Malaysia, post-WWII Japan, and in the late 1980s, Thailand, Mexico, and much of South America are examples of this model. With the emerging international consensus on the importance of basic human rights and growing demand within developing countries for more openness earlier in the economic development process, the authoritarian option is becoming an increasingly non-viable approach to development.

This project seeks to explore the connection between political and economic reform and to determine those aspects of political liberalization that contribute most to removing obstacles to economic reform. In this sense, it will be more narrowly focussed than a broad democratization program. This project will support a process that begins with the identification of the main political and legal institutional constraints to economic reform and a consideration of how US assistance might best be used to address those constraints. Activities to be supported under this project will support the growth of an information base which will help the Missions determine first a strategy and then narrow the field to a specific set of program areas and activities. The NE Bureau's GDP program will concentrate on increasing oversight on the executive branch to try to increase accountability. The results of this project will help determine whether stronger checks, greater openness and broader participation lead to greater internal influence for policy reform which in turn results in reform measures being adopted and appropriately implemented.

#### **D. Economic Analysis**

The project has a clear economic logic linking greater government accountability and transparency on one hand and economic policy reform on the other. This linkage lies at the heart of the project. However, the project deals with a branch of economics known as political economy, and as such, it is difficult to quantify benefits and conduct standard tests of economic return. Nevertheless, government fiscal policies inevitably influence the distribution of income and affect allocative decisions in the overall economy. The democratization process will tend to surface a broader range of interests and that will ultimately influence fiscal expenditures and taxation policies. During periods of economic restructuring, the role of consensus building may be crucial in ensuring the success of painful stabilization measures. Recognition of the need to

curtail consumption both public and private, is a crucial first step in the process.

A fundamental part of the monitoring and evaluation system of the project will be ongoing economic analysis in the sense that project activities will increase USAID's understanding of how to use resources most effectively to open the right institutional channels for improved policy formulation and implementation.

### **E. Financial Analysis**

Length of project funding is \_\_\_\_\_, of which \_\_\_\_\_ is A.I.D./W funds and approximately \_\_\_\_\_ represents Mission buy-ins. FY 92 obligation is \_\_\_\_\_ Short term technical assistance is funded both from core funding and Mission buy-ins. The following budget table provides information on both the anticipated person/months required to implement the various components, as well as yearly projected obligations. Additional budget tables can be found in Annex A, Financial Analysis.

In preparing the project budget, the design team first determined the personnel requirements to achieve project purposes and produce project outputs. The largest project budget line items are for long-term (55% of core budget) and short-term personnel, including their fully burdened rates, travel and per diem and miscellaneous costs, including rental of office space in close proximity to USAID Washington.

The services of the advisors are needed from project start-up. The estimated total person/months for long-term technical assistance is 171, which includes the three full-time professional experts and 27 person months for the services of a management information specialist. The budget also incorporates the services of an Administrative Assistant for the full four years.

In addition, at Mission request, short-term technical assistance will be provided for buy-ins under all project components in a separate requirements contract. The Mission buy-in level is based on interviews with USAID Washington personnel, experience gained from other Near East projects, as well as taking into consideration the continuing transformations that are occurring in the world today. We anticipate that \_\_\_\_\_ is the minimal funding requirement. Following the first evaluation of this project under the requirements contract, the dollar amount may need to be raised substantially, due to the use of the contract and the needs of the Missions.

## V. COST ESTIMATION AND FINANCIAL PLAN

### A. Budget Summary

Length of project funding is \_\_\_\_\_, of which \_\_\_\_\_ million is A.I.D./W funds and approximately \_\_\_\_\_ represents Mission buy-ins. The FY 1992 obligation is \_\_\_\_\_. Short term technical assistance is funded both from core funding and Mission buy-ins. The following budget table provides information on both the anticipated person/months required to implement the various components, as well as yearly projected obligations. Additional budget tables can be found in Annex A: Financial Analysis.

Annual workplans will be developed and financial requirements for activities taking place under the contracts will be established. Detailed cost estimates for Mission buy-ins and transfers to Missions will be prepared by the Missions. Detailed cost estimates for grants will be part of the NGO proposal. These cost estimates will be reviewed by the DIS Project Committee prior to each annual obligation for all components.

### B. Mission Buy-Ins

Buy-ins to this project will be to the Requirements or Q contract.

Although there are few dollar estimates at this time from the field Missions, there is reason to believe the demand for buy-ins will be relatively high. USAID Missions will retain primary responsibility for GDP initiatives, with the Near East Bureau providing guidance and support. The Requirements Contract will provide a mechanism for Missions to obtain training and assistance to design and develop their respective programs. The project is designed to be flexible, and while the initial ceiling for buy-ins is set at \_\_\_\_\_, this is the minimum funding requirement. Following the first assessment/evaluation of the project, we will revisit the need to maintain or increase funding to a higher level (up to \_\_\_\_\_).

### C. Financial Analysis

Detailed financial tables are located in Annex A. Included in this section are five budget worksheets providing both detailed and summary information on the core and requirements contract, and a summary worksheet covering all components of the project. Financial analysis was preceded by detailed technical analysis of

both the long term and short term technical assistance required by the project. While the summary sheet for the technical workload can be found in the financial annex, the comprehensive analysis, accompanied by a text explaining the calculations of the level of effort, is part of the Technical Analysis Section of this project paper.

The economic analysis section of this project paper discusses briefly the difficulty in quantifying benefits on a project such as this. The project is largely experimental and actual achievements will depend largely on the developments within the various Near East countries.

#### **D. Contracting Plan**

The basic contracting needs for implementing the Democratic Institutions Support Project will be:

1. An institutional contractor team to work closely with the Bureau in Washington, D.C. and to respond to Mission needs on a continuing basis. Under the core regional activities of this project, the contractor will play a key role in working with certain government bodies such as the judiciary and legislature and with host country NGO's. The contractor team will be made up of four long term technical experts and one administrative assistant. Their work will be critical to project implementation and for performing such functions as:
  - a. A bureau technical advisory resource function for internal Bureau reviews.
  - b. Overall coordination, subcontracting, financial tracking, project workplans and reports, tracking of NE political developments, interface with NE/DR Project Manager and other USDH staff, and with other contractors and grantees.
  - c. Completing five country political economic reviews and eight institutional assessments
  - d. Completing six special issues studies to use in the design, refinement, and/or implementation of country or regional programs.
  - e. Completing 6 studies and/or workshops that examine USAID program implementation constraints related to weak political and/or legal accountability.
  - f. Providing regional networking and data base development.

In addition, the contractor team will manage grants to international and regional NGOs, including monitoring of their on-lending/granting activities; provide technical assistance for design of field-based activities that will be carried out under the bilateral element of the project; and manage a "requirements" contract or series of requirements contracts under the buy-in element of the project.

The intention is that all of the long term contractors under the core contract will begin work in Year 1 of the project.

2. The ability to draw on expertise from a wide variety of U.S. institutions, including for-profit firms, professional associations, non-profit organizations and/or centers at universities to undertake specific, highly specialized short-term assignments to Near East countries or for special studies, as needs are identified.

This short-term technical assistance will be provided through the core and requirements contract. The core contractor will be responsible for identifying and subcontracting for the services of qualified short-term technical assistance which it cannot provide. The prime contractor must be able to deliver the expertise required when the windows and targets for opportunity arise. It is expected that the institutional contractor will at times need to organize teams of experts on 30-60 day notice.

3. The ability to absorb buy-ins from the Missions in the Near East. Buy-ins will be to the requirements (Q) contract.
4. The ability to draw on expertise through NGO subgrants

Grant proposals will be reviewed by a Bureau committee on which the core institutional contractor will sit as an observer. The core contractor may play a role in facilitating discussions. Once the grant documents are signed the core contractor is responsible for monitoring the grantee's work and reviewing its financial reporting.

## **E. Contracting Actions**

1. A competitively bid main or core contract is necessary. An option is to encourage a consortia to submit proposals which combine the private sector, democracy, judicial and legal education expertise, and general governance and democratic institutional experience. The main contractor must also bid for the requirements ("Q" contract associated with this project, which will handle the buy-ins from the Missions.

DEMOCRATIC INSTITUTIONS SUPPORT PROJECT

There will be a single RFP and contract award for a core and requirements contract.

2. An NGO grant fund is set aside and will be competed under separate contracting from the core activities. Both U.S. and international NGOs will be funded on a selective basis to undertake activities which contribute directly to project activities.

**ANNEX**

**ANNEX B: ADMINISTRATIVE ANALYSIS**

**ANNEX D: TECHNICAL ANALYSIS**

**ANNEX B: ADMINISTRATIVE ANALYSIS**

**1. Introduction**

The main participants in the project are 1) NE Governance and Democracy staff; 2) Contractor staff of the Project Technical Unit (PTU), 3) Non-governmental organization grantees (and their sub-grantees); 4) USAID Missions, and 5) Host country governments.

The Project Officer will establish direct working relationships with the technical staff of the PTU. These will be collegial and will involve activities such as review Bureau policy documents, providing opinions on the substance of Mission proposals for transfers and for buy-ins, drafting scopes of work for reviews, country studies, institutional diagnoses and the other substantive and knowledge generating activities under the core contract of the project. In this sense, these specialists will be performing an advisory function for the Bureau. The Technical Coordinator will carry out management functions for the PTU, being responsible both for an understanding of the content of programs and projects but also for the management of staff deployed to carry out those projects and programs.

It is anticipated that interaction between the Project Officer and the PTU's team will be close and frequent. While the Technical Coordinator will be responsible for managing the activities of the PTU staff and the timing of those activities, and will have the necessary substantive knowledge to make determinations required for that management, the Project Officer will be ultimately responsible for the technical content and direction of the project. S/he will deal on a technical level with the technical staff, but at the same time will delegate management responsibility to the Technical Coordinator, based on the approved work plan and an established system for monitoring performance, including through the MIS that will be developed by the contractor as one of the first deliverables.

**2. Contractor Task Analysis**

The PTU contractor team is responsible for:

- staffing and managing the technical unit the project;
- managing grants to international and regional NGOs;

## DEMOCRATIC INSTITUTIONS SUPPORT PROJECT

- providing TA for design of field-based activities that will be carried out under the transfer component;
- managing the requirements contract;

The following are the specifically managerial tasks that will be carried out by the Contractor. In some instances, the management element is very closely allied to the technical element, e.g., in developing draft scopes of work, and getting them finalized by the Project Officer. Thus, for some of the staff, management and technical tasks are divided on a 50% - 50% time basis.

- NGO grants management, including formulating grant documents and monitoring grant implementation and financial management; processing grantee vouchers;
- recruiting short-term (and possibly long-term) TA, including formulating SOWs, interviewing, checking references, determining daily rates, getting approvals from A.I.D.;
- ST TA backstopping, including hiring, fielding, (travel, visas, pre-departure stuff, team planning meetings, travel advances, employee agreements; in-field support, then following up, including report preparation, review and dissemination; processing expense reports, payment;
- managing workshops and seminars, including selecting facilitator, identifying participants, placing participants (travel, approvals, visas, advances, etc.), getting sites, producing materials, paying trainees, following up trainees;
- managing subcontracts, including negotiating subcontracts with subcontractors, arranging for payments, managing teams, disseminating information to and from the A.I.D. client(s), holding joint planning and reporting (progress assessment) meetings, among the group of contractors and with the A.I.D. staff;
- design and operation of management information system (MIS) to track progress on project elements and within elements, on specific activities, both for planning purposes and for evaluation and possible mid-course corrections, as well as for budgeting considerations;
- meetings with A.I.D. staff, for purposes of workplanning and updating, aside from reporting on technical progress and problems and with other relevant projects and offices and with

other project relevant institutions (e.g., potential subcontractors as the project develops over time);

- arranging for review of buy-in proposals, preparing sows, managing resulting requirements contracts, including relationships with any subcontractors included under requirements contracts who were not under core contract;
- providing central contractor management with information for billings, including on personnel and commodity and other direct costs matters.
- providing A.I.D. with quarterly financial reports, and other management documentation, including monitoring billing, and payment by A.I.D. for budget tracking; and
- managing technical unit itself and the technical team, including team building, workplanning, monitoring progress on all technical areas, solving personnel problems, fine-tuning relationships with A.I.D. both the Washington bureau and the field.

### 3. Contractor Staffing

The proposed staffing pattern for the PTU is as follows. It should be noted that most of the positions are full-time and will last for the full LOP. The Management Information Specialist may vary between part-time/short-term and full-time as the level of effort required increases or declines over the LOP. Some activities may be carried out by sub-contractors, but will still be managed by the Contractor, and thus by the Technical Coordinator or other members of the PTU.

The Contractor team will consist of long-term technical assistance including the Social Science Analyst, a Legal/Judicial Institution Specialist, a Democratic Institution Specialist, a Management Information Specialist, and an Administrative Assistant. This team will be supplemented by experts for short-term assignments arranged by sub-contract. Short-term personnel will deliver services both in Washington and the field. Contractor services will be delivered in approximately equal amounts of time in Washington and at the field Missions.

In addition, whenever appropriate, the Contractor will identify suitable sources of technical assistance or other resources available through existing AID projects and facilitate Mission access to these resources by, for example, assisting in the writing of scopes of work.

**Senior Social Analyst/Technical Coordinator**

- prepares draft technical SOWs for political-economy reviews; identifies short-term TA and manages assessments/project development teams in area of expertise; reviews policy/issues papers and other documents in support of Bureau GDP decision-making; as appropriate, takes active role in assessment teams, and similar activities (diagnoses, political economic country reviews, etc.), and provides technical feedback to A.I.D. on activities funded under transfers, proposals, and NGO proposals and activities in area of expertise; manages subcontracted activities in this area, and related training;
- overall coordination, subcontracting, financial tracking, project workplans and reports; tracking of NE political developments; substantive and managerial interface with Project Officer, with other contractors and grantees under the project.

**Legal/Judicial Institutions Specialist**

- prepares draft technical SOWs on legal/judicial issues/institutions; identifies short-term TA and manages assessments/project development teams/pilot activities in area of expertise; reviews policy/issues papers and other documents in support of Bureau GDP decision-making; as appropriate, takes active role in assessment teams, and similar activities (diagnoses, political economic country reviews, etc.), and provides technical feedback to A.I.D. on activities funded under transfers, proposals, and NGO proposals and activities in area of expertise; manages subcontracted activities in this area, and related training. Interacts with AMIDEAST and other relevant contractors/grantees in this area.

**Democratic Institution Specialist**

- prepares draft technical SOWs on parliamentary development, election commission development, advocacy organization support; identifies short-term TA, and manages assessments/project development teams/pilot activities in area of expertise; reviews policy/issues papers and other documents in support of Bureau GDP decision-making; as appropriate, takes active role in assessment teams, and similar activities (diagnoses, political economic countries reviews, etc.); provides technical feedback to A.I.D. on activities funded under transfers, proposals, and NGO proposals and activities in area of expertise; manages subcontracted activities in this area, and related training.

Interacts with IFES and other relevant grantees/contractors.

**Administrative Assistant**

- works primarily with the Technical Coordinator as office manager, interfaces with A.I.D. on routine matters; prepares routine reports to A.I.D.; prepares input for vouchers for institutional contractor's financial department; responsible for routine interaction with subcontractors regarding subcontracts; manages communications between the PTU and A.I.D., the Missions, contractors, sub-contractors, grantees, and other entities related to the project; maintains PTU files; edits documents, assists with graphics and other aspects of desk-top publishing (including contracting out); provides support to technical specialists, and short-term consultants; assists in recruitment of consultants, and related hiring and fielding (contracts, travel arrangements, travel advances, etc.); assists in TA report preparation and production; assists in preparation of proposals for requirements contracts under buy-in mechanism; monitors buy-ins, including routine correspondence with the field; manages information flow among sub-contractors, and responsible for report dissemination for technical reports.

**Monitoring and Evaluation Specialist**

- designs and installs project MIS; develops key GDP indicators; develops an MIS organization that will facilitate feedback and lessons learned; identifies short-term TA for evaluations, for monitoring tasks, to assist Missions in defining and applying PRISM and other, country-specific indicators of impact in the area of policy reform, democratization and governance improvement; assists in on-going internal project evaluation, including by the contractor; assists in monitoring NGO grants, activities funded under transfers, as well as by other donors, and participant trainees.

It is anticipated that there will be a prime contractor-- probably a for-profit firm--and a series of subcontractors. Subcontracts may be let with other for-profit firms, with non-profit organizations and/or centers at universities. The salient determining criterion should be the quality of technical expertise that will be provided to A.I.D. by these arrangements and the timely availability of that expertise. The prime contractor will have to be able to deliver the expertise called for under the various subcontracts in a very responsive manner, since this project will be active in areas in which U.S.-based expertise is not abundant.

#### **4. Bureau-Mission Relationships**

Another key set of relationships are those between the GDP staff and the field Missions that will benefit from services under the project. These relationships will be of essentially four types: 1) direct management service and technical support relationships; 2) direct funding transfers and buy-ins; 3) review and approval of activities and funding requests, and 4) reciprocal relationships under NGO grants and regional activities.

The GDP staff will be responsible for arranging for and the technical direction of, support provided to Missions under the core contract of the project--in the areas of reviews and assessments, institutional diagnoses, and preparation of Mission strategy documents. The GDP staff will maintain communication with Missions about their needs for Contractor and other support, and will decide which project element is best suited to provide that support.

Under the Requirements Contract, Missions will have the opportunity to buy-in for to the DIS project for technical services in support of project design and institutional strengthening activities. It is important that Missions, once their GDP strategies are approved, should have the means to institute GDP activities in a timely manner, especially if these have received a "jump start" under the transfer element of the project. In the first two years of the project, it is anticipated that the buy-in component will be relatively small and that A.I.D./Washington will exercise considerable discretion in terms of the scope and content of potential buy-ins. It is desirable that the purpose and outputs of the project be closely maintained in the first years, so that knowledge can be generated, hypotheses tested, and lessons learned.

After the first 18 months of project activity, the state of the buy-in component will be reviewed and a determination made as to whether or not the ceiling should be raised and/or the type and scope of buy-ins expanded.

#### **5. NGO Grants and Subgrants**

Grant proposals will be reviewed by the DIS Project Review Committee. Grant agreements will be signed by the Bureau's Assistant Administrator. Once a grant is awarded, the Project Officer is responsible for working with the Contracts Office on the grant documents. Once the grant documents are signed, the PTU staff is responsible for monitoring the Grantee's work and its financial reporting. The Grantee will submit quarterly

reports (including expenditure data) to A.I.D./W and the PTU. When relevant, these reports will be shared with the GDP officer(s) in the Mission(s).

The Missions will have a role in proposing appropriate sub-grantees to the Grantee NGO. Missions will review selection criteria for sub-grantees.

#### **6. Relationships with the Host Governments**

The Project will interact with host government personnel through the local A.I.D. Mission. Where there is no A.I.D. Mission, the Project will work through NGO intermediaries and other in-country USG officials. The relationship between host government and host country individuals and groups and the project is somewhat complex, as is the case with any centrally-funded activity. In this project, the guiding principle will be for the project to support A.I.D. Missions to assist host country government, making use of A.I.D.'s USDH in-country expertise to the extent it is available.

#### **7. Relationships with Host Country Citizenry**

The main interface with members of the public of the countries of the region will most probably be between the NGO grantees and sub-grantee organizations in these countries and regionally. These intermediaries will be responsible for putting forward the purpose and tenor of the project and its objectives to concerned individuals and groups. They, together with the project provided technical assistance support, will be the "front line" of the project with the intended beneficiaries. They will need to be able to monitor their own activities in terms of their relative political sensitivity, and also monitor the results of those activities for the MIS and for the underlying knowledge-generation objectives of the project.

**ANNEX D: TECHNICAL ANALYSIS**

A critical question concerning the likely impact of this project is the degree to which Near East countries are willing to move forward with the kinds of political and legal institutional change to be supported by DIS. There are growing indications that host country interest of this type of assistance is high and increasing.

At least two different historical paths are possible in the pursuit of rapid economic growth under open market, private sector driven policies. The first is for a government to set policy without broad public consultation. Opposition, in this case, must be dealt with through relatively authoritarian means. Once significant growth has occurred, public demand eventually leads to a process of political liberalization. Chile and the NICs of East Asia serve as examples of this model. The other option is to begin with a process of partial political liberalization--allowing a freer flow of information and wider participation, which gives reform-minded constituencies an opportunity to have direct influence over the policy formulation process. Such an arrangement can improve oversight of executive actions, check the influence of narrow special interests, increase government legitimacy, and build consensus for sensible policy choices. Malaysia, post-WWII Japan, and beginning in the late 1980s, Thailand, Mexico, and much of South America serve as examples of this model. Today, the authoritarian option is becoming an increasingly non-viable approach to economic development. Host country populations are demanding more openness early in the economic development process and international pressures are increasing being brought to bear on governments that, for whatever reasons, violate the basic rights of their own people. As a consequence, it appears to be increasingly accepted by many governments in the Near East region that at least some degree of movement toward political liberalization is essential if economic reform is to proceed.

This project aims to support economic liberalization and to accelerated economic growth by supporting the linkage between political and economic reform and by identifying those aspects of political liberalization that contribute most to removing obstacles to economic reform. In this sense, DIS will be more narrowly focussed than a broad democratization program. The project will support a process that begins with the identification of the main political and legal institutional constraints to economic reform and a consideration of how US assistance might best be used to address those constraints. Activities to be supported under this project will support the growth of an information base which will help the Missions

determine first, a strategy and then narrow the field to a specific set of program areas and activities. The NE Bureau's GDP program will concentrate on increasing oversight of and checks (legal, legislative and extra-governmental) on the executive branch to try to increase accountability. It will also try to increase pressures for reform by supporting entities in favor of political and economic liberalization. The results of this project will help determine whether stronger checks, greater openness, and broader participation, lead to greater internal influence on policy reform which in turn results in the adoption and appropriate implementation of reform measures.

What has emerged in several Arab states (Egypt, Morocco, Tunisia, Jordan, Yemen, and until recently Algeria) has been referred to in political science circles as the politics of "limited association." These states have begun to open their political systems and to permit limited political opposition and competition. Greater freedom of press, speech, and association has been allowed; political parties have been legalized; elections have been held; and legislatures strengthened (although they are still dominated by the executive branch). In some instances, governments have begun to show greater concern for the rule of law.

Beginning under President Sadat, following the 1978 Egypt-Israel Peace Accords, Egypt pursued a slow but steady process towards political liberalization. The press is now relatively open, with several opposition papers in circulation. The number of private organizations, particularly those representing businessmen and religious groups, have grown as the government has freed restraints on rights of association. This has resulted in the government now being obliged to pay more attention to and consult more with public and constituent advocacy groups. The Muslim Brethren, the country's strongest fundamentalist movement, has shown moderation and a willingness to negotiate with the government and to support electoral processes. A 1991 poll reported that twice as many Egyptians wanted democratization as wanted state application of the Shari'a (Islamic law). Multiparty elections were held in 1984, 1987, and 1990. However, main opposition elements boycotted the 1990 parliamentary elections. The 1990 and future boycotts could test the ability of the government to institutionalize limited political competition. The Judiciary has shown considerable independence under both Sadat and Mubarak in adhering to the rule of law. Recently, there were two successful court cases that challenged inequities in the electoral law.

Jordan's King Hussein, a constitutional monarch, has also partially opened his country's political system to broader participation. Political parties have been banned since 1958 and

## DEMOCRATIC INSTITUTIONS SUPPORT PROJECT

the 1989 elections were the first full scale parliamentary elections since 1967. Although political parties were not permitted to compete formally in the 1990 elections, individuals representing a range of groups ran for office. Islamic groups won almost half the number of parliamentary seats and were allowed by the government to take office. Old "parties" have become more active and new ones have emerged. A national charter has been created to help institutionalize pluralism reforms. The charter permits political parties but some limitations still remain in place. As one observer commented, the new openness probably served the King well during the Gulf war, given the degree of public concern. Parliament is active and has, for example, investigated charges of government corruption. Other recent indications of political reform include the rescinding of martial law which had been in effect since 1967.

North and South Yemen reunited in May 1990 and became the Republic of Yemen. The government is led by a president who came to power via a coup in North Yemen in the mid-1970s. Yemen's new constitution contains strong guarantees of human rights and political freedom. A multiparty system has been established, and the new House of Representatives has been given substantial powers. There is considerable freedom of press, and the regime's security apparatus is reportedly becoming more restrained. Public enthusiasm for this pluralism experiment has been considerable, perhaps in part because most Yemenis strongly desire national unity.

Like Jordan, Morocco is a fairly liberal constitutional monarchy whose monarch enjoys considerable legitimacy derived from his religious authority. The monarchy has an institutionalized limited multiparty system. Unlike Tunisia and Egypt, there is not a single dominant political party tied to the government. The monarchy has backed different parties in past elections. As some observers have pointed out, the King has positioned himself above the political fray which has allowed him to play the role of arbiter between competing interests. The palace has thus benefited from a limited degree of pluralism. The political and civic environment has been fairly stable in recent years with regular elections since the 1970s and considerable freedom of press and association.

The course of political liberalization in Tunisia has been more halting. This has been due in part to the government's fear of the country's strong fundamentalist movement. The government is run by one of the region's two non-monarchical, civilian regimes. The government in Tunisia has been markedly secular since Bourguiba came to power in the 1950s. There was substantial popular acceptance of political policies until Bourguiba's old age led to capricious policy, beginning with his

## DEMOCRATIC INSTITUTIONS SUPPORT PROJECT

"president for life" proclamation. The country appeared to be taking a liberal turn when Ben Ali seized power from Bourguiba in 1987 and promised democratization. Parliamentary elections were held in 1989, although the Renaissance Party, the main fundamentalist group, was not allowed to participate. Independent Islamic candidates still managed to win a considerable portion of the vote, however, because of the way in which the electoral system operates, they were not able to claim any parliamentary seats. Relations between the government and the Renaissance Party have become increasingly contentious. Independent Islamic candidates did win seats in municipal council elections in mid-1990, removing the government party's monopoly. Ben Ali has promised to increase freedom of the press, but serious constraints still remain.

Recent events in Lebanon suggest that ethnic conflict has been sufficiently dampened to allow the implementation of more equitable power sharing arrangements. The power of the Chamber of Deputies was recently strengthened at the expense of the President (always a Maronite Christian). The Cabinet has become the real executive authority and the position of Prime Minister (always a Sunni Muslim) has become the single most important post in the government. The new parliament is 50% Muslim and 50% Christian and the Speaker is always a Shi'a Muslim. It is a concern that the Shi'as, did not make significant gains under the new arrangement. The Christian controlled southern region of Lebanon and the presence of Syrian troops is still problematic as is Iranian involvement in the country. However, Lebanon has been surprisingly peaceful since late 1990. Efforts to strengthen the Chamber of Deputies could produce especially beneficial results.

The DIS project and the bilateral programs that it will develop, support the process of political liberalization that is currently underway in several Near East states. There is considerable popular support in the Arab world for at least a limited degree of democratization. Near East governments are under strong pressure to continue to expand rights of association, speech and participation. As a result, leaders now appear to be more open to assistance that might relieve the political stress associated with economic dislocation and the need to adopt reform measures.