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INTERNATIONAL LEGISLATIVE STRENGTHENING:

ALTERNATE APPROACHES

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I. INTRODUCTION

The purpose of this study is to analyze USAID's approach to legislative strengthening, and to compare and contrast it with the parliamentary development programs being implemented by other international donor agencies. In particular, it examines "special issue" approaches that focus on a specific topic, typically one related to economic development, such as poverty reduction or gender based budgeting. It suggests that there are areas where USAID legislative strengthening activities could be specifically linked to the Agency's substantive economic development objectives.

There is considerable resistance within USAID, both conceptually and bureaucratically, to the very idea that legislative strengthening activities might be reprogrammed to support economic development activities. One important reason for this is that the dominant conceptual paradigm of the democracy and government (DG) practitioners is that there are no economic preconditions to the onset, development, or sustainability of democracy. Specifically, this framework argues that, since there are no causal linkages between the level of a country's socio-economic development and the birth and consolidation of democratic institutions, then democracy can be promoted everywhere in the world. This DG paradigm was reinforced by the wave of democratization that swept the globe in the early 1990s, with countries transitioning away from authoritarian regimes from Eastern Europe to Africa. Democracy practitioners concentrated on jump-starting the process of transition, confident that the consolidation of democratic institutions (elections, political parties, civil society groups, legislatures) would follow, regardless of the socio-economic context within which change was occurring. Democracy and freedom were on the march worldwide, and its completion required only technical assistance and resources devoted to political processes and institutions.

A second and reinforcing tendency to the DG conceptual paradigm of democracy promotion was bureaucratic isolation. The democracy practitioners tended to existed in a world apart from their economic development colleagues; interaction was scant. Within USAID, for example, the Democracy and Governance bureau naturally sought autonomy from the traditionally powerful bureaus focusing on various aspects of economic growth and development (privatization, agriculture, finance, trade, etc.) For bureaucratic and budget reasons, DG projects emphasized democratic processes and procedures that facilitated transition and consolidation, and developed a network of supportive contractors and NGOs ("partners') through cooperative grants and indefinite quantity contracts. Opportunities for cross fertilization and/or joint programming with economic (and social) development parts of the bureaucracy were scarcely considered.

However, as the 1990s closed, political analysts started to question the very validity of the concept of "transitional democratic states." Thomas

Carothers, for example, pointed out that more and more states were being classified by political scientists as residing in a "gray area" between democratic and authoritarian regimes, with many states tending toward the authoritarian end of the democratization scale[1]. In far too many "transitional" states (e.g., Albania, East Timor, Venezuela, Zimbabwe, etc.) formally democratic institutions existed, but not rule of law. Elections were manipulated, the press was muzzled, a strongman or clan dominated the political system, and judicial and other institutional corruption flourished. Moreover, in these states, both legislative bodies and civil society groups were manipulated or controlled by dominant executives. These developments called into question the theoretical assumptions of democracy practitioners, and gave new credibility to earlier ideas about stages of development and linkages between democracy and economics.

The emergence of the "gray zone," with its challenge to the very notion that democratization worldwide would be a clear, linear progression from transition through consolidation, poses difficult programmatic issues for DG practitioners. First, it implies that there will be winners and losers in the democratic game. Thus, scarce democracy promotion resources should not be allocated to any and all transitional states, but rather should be directed to those most likely to be able to take advantage of them to consolidate democratic institutions. In other words, new theoretical and practical criteria will have to be developed to guide the selection of states for democratic assistance.

Second, by re-introducing the concept that democracies can decay as well as advance, the concept of the "gray zone" raises the issue of the content, sequencing, and timing of democracy promotion interventions. The social, cultural, and institutional parameters of a particular political system may dictate some democracy promotion initiatives rather than others. Instead of programming a simultaneous effort on all institutional fronts (rule of law, civil society, elections, legislative), careful consideration will have to be given to whether and when, if at all, a particular intervention has merit.

Third, the "gray area" concept calls attention to the necessity to develop objective, measurable, quantitative indicators to track and evaluate the trajectory of "transitional democracies" and of democracy promotion interventions. For democracy practitioners, this means paying greater attention to country indices of democratic development, and focusing on "real" performance monitoring plans that rely on quantifiable indicators instead of anecdotal measures and qualitative indicators of progress. Unfortunately for DG, measurement of project results has been the Achilles heel of program activities: within USAID, for example, an early effort to develop a handbook of democracy measures was never completed, and project performance monitoring plans are generally underdeveloped in terms of quantitative indicators.

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[1] Thomas Carothers, "The End of the Transition Paradigm," Journal of Democracy 13:1 (2002) pp. 5-21. See also T. Carothers, Aiding Democracy Abroad: The Learning Curve, Washington, D.C.: Carnegie Endowment, 1999.

Fourth and finally, the "gray area" concept suggests that DG practitioners may need to rethink the relationship between economics, democracy, and development. These concepts are intrinsically intertwined, and efforts at democracy building need to take this into account. Economists, for example, acknowledge that economic development is predicated on property rights and the rule of law. In the absence of a climate of confident expectations that property rights will be protected, that contracts will be honored and enforced impartially, and that entrepreneurship will be rewarded, then investment and economic growth will be thwarted. Democratic regimes provide this assurance better than the kleptocracies that frequently exist in transitional states. Likewise, economists acknowledge that the most powerful force for development is an appropriate macroeconomic policy framework that provides the proper incentives for doing business. Again, democratic regimes are more likely to provide this. On the other hand, DG practitioners have tended to pursue democracy promotion in an economic vacuum. The focus of many democracy program interventions tends to be exclusively on process and procedures (how to hold elections, how to build a membership base, how to organize a legislature) rather than on substantive economic development issues.

This provides the context for this study of alternate approaches to legislative strengthening in transitional states. USAID's approach to legislative strengthening (see pages 4 to 10) is subject to the general issues raised above about democracy promotion programs. USAID has spent about $240 million on legislative strengthening programs in a wide range of countries at widely varying levels of economic and political development. Most of this spending has taken place in the last 15 years, and most of USAID's resources have gone toward activities to improve legislative process and operational procedures, including equipment purchases. Relatively limited attention and resources have been directed to developing the fiscal and budgetary oversight capacities of legislative bodies, or to training legislators on substantive policy issues which could impact a country's economic development.

Ironically, legislative strengthening is arguably the most important USAID DG activity with regard to the Agency's economic and social development goals. In developed countries, legislatures are important primarily for their "power of the purse" and the important role this provides them in the system of checks and balances of executive branch power. Internal procedures, representation, outreach, and law making are all important legislative requirements, but true power comes through approval of the budget and oversight of expenditures. The neglect of this important area is symptomatic of the larger problem.

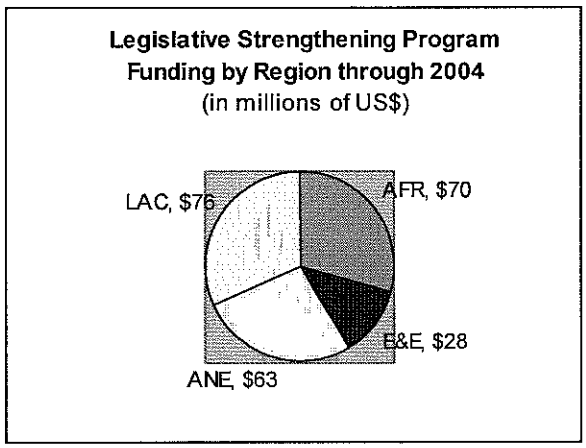
This study begins with an assessment of USAID's legislative strengthening experience, focusing mainly on projects carried out over the last decade. It then reviews alternative approaches by selected international donors, in particular special issue approaches such as the World Bank's Poverty

Reduction Process. Finally, some suggestions are offered as to how USAID's program might be redirected to emphasize linkages to economic development.

II. USAID and INTERNATIONAL LEGISLATIVE STRENGTHENING

Background

USAID has been funding legislative strengthening activities since 1975. More than 110 programs have been implemented in approximately 63 countries throughout Africa, Europe & Eurasia, Asia/Near East, and Latin America, with a total value of approximately $240 million.[2] Spending by region is shown in the accompanying chart.



This review of USAID-funded legislative strengthening activities focuses on projects implemented between 1996 and 2005. Further, it focuses on those programs implemented under the three Deliberative Bodies / International Legislative Strengthening Indefinite Quantity Contracts (IQCs) because the majority of legislative strengthening programs implemented since 1996 have been issued under these three vehicles.[3] Approximately $28 million was spent under the first two IQCs (1996-2004), and over $20m has already been committed under the third International Legislative Strengthening IQC. Other legislative strengthening projects that were not issued under these IQCs were in the form of Cooperative Agreements with non-governmental organizations such as the National Democratic Institute (NDI) and International Republican Institute (IRI).

USAID's overall objective in providing democracy and governance assistance is to support democratization in developing and transitional countries. The more specific goal with regard to legislative strengthening is to build the institutional capacity of deliberative bodies so they can function more effectively and perform their roles more democratically and representatively.[4]

However, USAID-funded legislative strengthening programs have evolved and become increasingly sophisticated over the years, emphasizing the development of these capacities differently.

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[2] USAID Document: "USAID Legislative Strengthening Programs; All Regions Through 2004."
[3] Deliberative Bodies IQC I (1996-2000), Deliberative Bodies IQC II (2000-2004), and International Legislative Strengthening IQC (2004-2008).
[4] USAID, Handbook on Legislative Strengthening, February 2000, pg. 1.

The Evolution of USAID-funded Legislative Strengthening Projects

The U.S. government has supported strengthening of democratic legislatures for over thirty years. In the 1970s and 1980s, USAID funded a number of universities to conduct legislative study tours, exchanges with legislatures in other nations, and comparative research on legislatures. In the late 1980s and early 1990s, in response to democratic transitions in Eastern Europe and the former Soviet Union, projects began to focus on developing the ability of parliaments to research and analyze key issues. This was done primarily through commodity and technology procurements, and research skills training. For example, USAID funded the Frost Task Force/CRS Program in Eastern Europe, which introduced computer technology into legislatures and trained professional library committee staff in research skills.[5]

USAID-funded projects implemented during the mid to late 1990s, including those implemented under the first Deliberative Bodies IQC (1996-2000), focused primarily on improving the internal procedures, administrative systems, and technology infrastructure of Parliaments. Activities under this IQC included training for legislators in general democratic education and issues in social and economic policy; training for professional staff of legislatures in such areas as legislative drafting and operational procedures (e.g., staff management, office budgeting); technical assistance directed at legislative process (e.g., committee operations, holding of public hearings, ethics); and technology enhancements. These projects included broad legislative reform in El Salvador, upgrading technology in legislatures throughout Central Europe, and working to improve internal legislative procedures in West Bank/Gaza.

In the late 1990s, USAID and legislative strengthening practitioners acknowledged that improving internal legislative processes, professionalizing staff and legislators, and enhancing technology were necessary but not sufficient tasks for achieving democratization goals. In order to serve as truly democratic institutions, it was clear that legislatures need to be more responsive to the needs, concerns, and interests of their constituents. Accordingly, activities under the second Deliberative Bodies IQC (2000-2004) were broadened to include improving the representation of constituent interests and developing the advocacy skills of civil society organizations. Increased attention was also given to a parliament's oversight role, but mostly with regard to the establishment of in-house budget analysis units and related training. Examples of assistance provided include the establishment of a budget analysis unit in Benin and helping legislators in Madagascar better understand the needs of their constituents.

The latest and broadest vision for USAID-funded legislative strengthening programs includes the development of regional and local government bodies, as well as civil society groups. Specifically, the menu of legislative strengthening

[5] USAID's Experience Strengthening Legislatures, prepared for the Center for Democracy & Governance by the International Development Group of the State University of New York (SUNY), June 2001.

activities has been expanded to include "helping to build broad public support for the legislature through working with civil society and media groups, or helping to promote recognition on the part of other government bodies as to the critical role of representative bodies in a democratic society." Furthermore, as explicitly stated in the International Legislative Strengthening IQC of 2004, USAID has acknowledged that there is a relationship between legislative strengthening and the achievement of other development goals, including economic development: "*Linking legislative strengthening and other development goals and objectives must be a major focus of assistance...*"[6] This strategy comports with a recommendation provided by the USAID's Experience Strengthening Legislatures paper of 2001 which states, "experience has shown the need for cooperation among donor countries and for coordinating legislative assistance activities with development programs in other sectors, such as health, education, or economic growth."

However, despite this revised strategy, the types of activities implemented under USAID-funded legislative strengthening programs have changed very little since the first Deliberative Bodies IQC. As shown below, most activities still focus on improving legislative process and operational procedures. Relatively limited attention and resources are devoted to developing fiscal and budgetary oversight capacity, essential to linking legislative strengthening with other sectors of development, particularly economic growth. Even less attention and resources are dedicated to training legislators on substantive policy issues which could impact the country's economic development.

The ILS IQCs and CID-SUNY

In order to understand the scope and impact of USAID's legislative strengthening IQCs and programs, FMI compiled and analyzed data on 32 task orders. The primary implementing partner was CID-SUNY. Under the first Deliberative Bodies IQC (1996-2000), CID-SUNY was the only contract holder and implemented at least nine projects. Under the second Deliberative Bodies IQC (2000-2004), CID-SUNY was one of two contract holders, but implemented ten projects (totaling approximately $15 million) compared with five implemented by the other holder, Development Associates, Inc. (totaling approximately $9 million). Under the current International Legislative Strengthening IQC (2005-2009), CID-SUNY has been awarded six out of eight projects.

FMI's methodology involved reading selected project final reports written by CID-SUNY for USAID missions around the world and the USAID/Washington Democracy & Governance Office (formerly the Center for Democracy & Governance). FMI also visited CID-SUNY at their headquarters in Albany, NY, and conducted in-person interviews with senior project managers and technical staff members. The objectives were to: identify the primary and secondary focal points (described in detail below) of legislative strengthening programs

[6] International Legislative Strengthening IQC, Section C (Scope of Work), pg 16.

implemented by CID-SUNY; review the specific tasks and activities implemented in order to achieve improvements in those focus areas; and to assess the interest in and potential for increasing the linkages between legislative strengthening activities and economic reform and development.

As previously mentioned, USAID legislative strengthening programs aim to improve one or more of the following general capacities: management and administrative systems; information technology / organizational infrastructure; lawmaking skills; constituent representation and civil society relations; and parliamentary oversight of the government's executive branch. Broad descriptions of these program capacities, and examples of typical project activities, are provided below.

Capacity	Description & Sample Project Activities
Management Systems (MS)	Refers to the technical and financial management and administration of the parliament, its elected members, and staff. MS tasks / activities include: establishing a Modernization Committee within the parliament; improving the administration of departmental offices or committees; orientation of newly elected members; developing internal policies and procedures; staff reorganization; improving access to and analysis of technical research; and training on general legislative ethics.
IT / Organizational Infrastructure (IT)	Refers to the improvement of technology and office supplies available for use by members of parliament and their staff. IT activities involve the procurement of commodities such as furniture or computers / software. IT activities also include providing internet access, website development, intranet development, and computer skills training.
Lawmaking Skills (L)	Refers to improving legislative drafting procedures and skills. Activities typically involve the organization of drafting seminars and workshops; procurement of bill tracking systems; and development of more efficient work methods.
Representation / Accountability (R)	Refers to improving the link between members of parliament and their constituents, as well as with civil society organizations (CSOs). Also refers to improving the transparency of legislative processes, the ability of constituents and CSOs to advocate their interests, and the level to which constituents hold members of parliament accountable for their actions. Activities include seminars for members of parliament on reaching out to / inviting to Parliament constituents and CSOs; improving media coverage of legislative activities; expanding website information; printing newsletters; and informing the public of their rights to interact with parliament.
Oversight (O)	Refers to the exercising by the legislature of its explicit or implicit authority to oversee the actions of the executive branch, and to hold officials of the executive branch accountable for their actions, primarily by conducting inquiries or investigations, and reviewing / monitoring budgetary spending. Typical activities include budget committee strengthening, training on the budget process, budget analysis, and how to conduct public hearings.

These categories were used to analyze Legislative Strengthening IQC Task Orders from 1996 to 2005. The results are provided in the accompanying charts on pages 9 through 11. The main conclusions based on the analysis are:

- The primary focus of most Task Orders, particularly under the first Deliberative Bodies IQC (1996-2000) but also including later IQCs, was improvement of management systems and infrastructure (e.g., computers for research, internet / intranet access, bill tracking systems). The most common secondary program focal points were improved representation / accountability to constituents, followed by improvement of parliamentary lawmaking / bill drafting skills.

- Assisting parliaments to exercise their authority to oversee the executive branch was not a Primary Program Focus until 2006, although oversight became a secondary focus of legislative strengthening programs in the year 2000. It has become an increasingly common secondary project focus in the last 2-3 years, but activities aimed at improving oversight remain focused on process and procedure (i.e., *how to* conduct a hearing; *how to* read a budget).

- Only 18-19% of the projects implemented under the three IQCs included training on substantive economic reform and development issues.

- The money being spent on legislative strengthening projects has steadily increased from 1996 to present. The average project value under the first, second, and third IQCs is $250,000, $1.6m, and $2.5m, respectively.

- The most common project activities / tasks include management and administration improvement (e.g., establishing an internal "Management Board," staff reorganization, developing "Modernization Plans," and/or drafting procedural manuals); developing the research capabilities of parliamentary staff; expanding and building constituent and CSO relations; and committee formation / strengthening.

USAID Legislative Strengthening IQC Task Orders
1996-2005

Country / Region	Project Name	Contractor	IQC	Proj Start Date	Proj End Date	Proj Amount	Primary Program Focus	Secondary Program Focus	Tasks / Activities						
							Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Legislative / Bill Drafting	M'gment & Administration Improvement	Training on Substantive Economic Issues	Budget & Fiscal Analysis	Constituent & CSO Relations	Development of Research Capabilities	Committee Strengthening
Guatemala	Modernization of the Guatemalan Legislature	SUNY	ILS-I	Aug-96	Dec-97	$800K	MS			x					
Benin	Benin Institution Building -- Training & Institutional Support Needs Assessment	SUNY	ILS-I	Nov-97	Jan-98	$48K	MS, IT Needs Assessment								
Uganda	Develop & Procure Staffing & Training Plan for Uganda	SUNY	ILS-I	Jan-98	Apr-98	$48K	MS, IT Needs Assessment								
Benin	Democratic Institution Building Assistance to National Assembly	SUNY	ILS-I	Jul-98	Sep-98	$28K	MS								
Ecuador	Needs Assessment to reformulate a stalled IDB project	SUNY	ILS-I	Jul-98	Oct-98	$14K	Assessment								
Uganda	Parliamentary Technical Assistance Project	SUNY	ILS-I	Aug-98	Apr-00	$2.5m	MS	IT	x	x		x	x	x	x
Madagascar	National Assembly Capacity Enhancement	SUNY	ILS-I	Sep-98	Oct-99	$230K	MS	R		x			x	x	x
Rwanda	Training Needs Assessment for the National Assembly	SUNY	ILS-I	Jan-99	Mar-99	$43K	MS, IT Needs Assessment								
El Salvador	Citizen Participation in the Legislative Process	SUNY	ILS-I	Oct-99	Apr-00	$400K	R	L	x	x			x		
Uganda	Parliamentary Technical Assistance Project	SUNY	ILS-II	Apr-00	Apr-01	$1.2m	MS	R, L	x	x		x	x	x	x
Egypt	Improving Governance at the Local Level	DA	ILS-II	May-00	Sep-00	$270K	R						x		
Bulgaria	Local Government Program Strategy Review	DA	ILS-II	Jul-00	Sep-00	$67K	Strategy Review								
Kenya	Democratic Institution Building Assistance to National Assembly	SUNY	ILS-II	Aug-00	Feb-05	$4m	MS	O, R	x	x		x		x	x

USAID Legislative Strengthening IQC Task Orders
1996-2005

Country / Region	Project Name	Contractor	IQC	Proj Start Date	Proj End Date	Proj Amount	Primary Program Focus: Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Secondary Program Focus: Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Tasks / Activities: Legislative / Bill Drafting	Mgment & Administration Improvement	Training on Substantive Economic Issues	Budget & Fiscal Analysis	Constituent & CSO Relations	Development of Research Capabilities	Committee Strengthening
Rwanda	National Assembly Support Project	SUNY/ARD	ILS-II	Nov-00	Sep-03	$1.5m	MS, IT	O, R	x	x	x	x	x	x	
Egypt	Collaboration for Community Level Services	DA	ILS-II	Jan-01	Jan-04	$4.5m	Other (Improvement of Local Govt Services)								
Uganda	Parliamentary Technical Assistance Project	SUNY	ILS-II	May-01	Apr-02	$800K	R	MS		x		x	x	x	x
Bolivia	Representative Congress Project	SUNY	ILS-II	Sep-01	Sep-03	$1.9m	R			x			x		x
Bulgaria	National Assembly Legislative Strengthening Project	SUNY	ILS-II	Sep-01	Jul-02	$500K	MS	R		x			x	x	x
Tanzania	Needs Assessment of Parliament	SUNY	ILS-II	Jan-02	Feb-02	$58K	Needs Assessment								
Armenia	Legislative Strengthening Program I	DA / DAI	ILS-II	Apr-02	Aug-04	$2.3m	MS	O, R	x	x		x	x	x	x
Uganda	Legislative Support Activity	DA / DAI	ILS-II	May-02	Feb-05	$1.9m	MS	R, L	x	x			x		x

USAID Legislative Strengthening IQC Task Orders
1996-2005

Country / Region	Project Name	Contractor	IQC	Proj Start Date	Proj End Date	Proj Amount	Primary Program Focus: Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Secondary Program Focus: Lawmaking (L) Representation / Accountability (R) Oversight (O) Management Systems (MS) IT / Infrastructure (IT)	Tasks / Activities: Legislative / Bill Drafting	M'gment & Administration Improvement	Training on Substantive Economic Issues	Budget & Fiscal Analysis	Constituent & CSO Relations	Development of Research Capabilities	Committee Strengthening
Peru	Developing Skills of the Peruvian Congress Project	SUNY	ILS-II	Aug-02	Feb-04	$1.6m	MS, R	L, O	x	x			x	x	x
Bolivia	Parliamentary Technical Assistance Project--Phase II	SUNY	ILS-II	Oct-03	Sep-05	$2.9m	R	MS		x			x		
Armenia	Legislative Strengthening Program II	DA / DAI	ILS-II	Sep-04	Aug-07	$2.5m	R	MS	x	x		x	x		x
Morocco	MEPI Strengthening Parliamentary Processes in Morocco	SUNY	ILS-III	2004	2007	$4.0	R	O		x		x	x	x	x
Regional: Middle East	Program to Strengthen Legislative Institutions in the Middle East - MEPI	SUNY	ILS-III	Sep-04	Sep-07		MS	R	x	x	x	x	x	x	x
Afghanistan	Parliamentary Assistance Project	SUNY	ILS-III	Oct-04	Oct-07	$7m	MS			x			x		x
Jordan	Jordan Legislative Strengthening Program	SUNY	ILS-III	Jun-05	Jun-07	$7.2m	IT, MS	O	x	x	x	x	x	x	x
Pakistan	Strengthening Legislatures in Pakistan		ILS-III	Jul-05	Jul-07		MS	R	x	x		x	x	x	x
Tanzania	Parliamentary Strengthening in Tanzania	SUNY	ILS-III	Oct-05	Oct-07	$4m	R	MS		x		x		x	x
WBG	Strengthen Legislative Capacity & Processes in the WBG	DAI	ILS-III	2005	2008	$6m	MS	R		x		x	x	x	x
Malawi	Strengthening National Assembly Oversight to Curb Corruption and Enhance Fiscal Discipline in the Public Sector	SUNY	ILS-III	Feb-06	Jan-08	$2.9m	O	Other (Anti-Corruption)	x	x	x	x		x	x

Another observation on the legislative strengthening programs being implemented under the current International Legislative Strengthening IQC is that the process of selecting countries for assistance appears to be only loosely linked, if at all, to a country's political freedom or economic development indicators. As shown in the accompanying chart, the seven countries in which USAID is currently funding new legislative strengthening projects (Tanzania, Jordan, Malawi, Morocco, Pakistan, Afghanistan, and West Bank / Gaza) vary widely in their civil liberties, economic freedom, corruption perceptions, and freedom of the press rankings. Jordan, for example, is ranked 37 out of 158 countries in the Transparency International Corruption Perceptions Index, while Pakistan is ranked 144 out of 158; the other five countries rank somewhere in between these two, but none rank higher than 78. Similarly, four of the countries are ranked as "Partly Free" by Freedom Houses, while the three others are rated as "Not Free." Likewise, Jordan is ranked 58 out of 155 countries in the Heritage Foundation's Index of Economic Freedom, while Pakistan is ranked far below, at 133 out of 155. Other than a national security rationale for assistance, nothing in the democracy indicators links would suggest that these countries are prime candidates for legislative strengthening.

Conclusions

This review of the legislative strengthening programs implemented under the three IQCs led to the conclusion that the presence and relative importance of substantive economic issues among USAID-funded projects is limited. Of the dozens of final reports and project scopes of work reviewed, only six included clear examples of substantive training related to economic development. In Rwanda, for example, ARD/SUNY conducted a seminar (jointly with a fiscal decentralization project) on property tax issues, which was attended by Deputies from the Rwandan Parliament's Budget Committee. Appearing to take substantive training even more seriously, the scope of work for the USAID/Jordan Legislative Strengthening Program (released in Nov. 2004) states, "Training on matters of economic reform and public finance should represent a major component of assistance under this activity... Specialized training on the more technical sides of health- and education-related issues is included in this activity...because of the Mission's longstanding and continued involvement in these two sectors. Women's issues should also be featured prominently..."[7]

Unfortunately, the majority of oversight improvement activities under projects issued through the three IQCs have focused primarily on procedure. The emphasis is on *understanding and analyzing* budgets developed by the government's executive branch. The following recommendations to improve oversight in Rwanda from one expatriate short-term training advisor (STA) are typical of the approach to oversight activities under USAID-funded legislative

[7] USAID/Jordan Legislative Strengthening Program Scope of Work, pg. 4, November 2004.

strengthening projects: the parliament's needs include "a specialized research unit, *reinforcing the technical capabilities of staff*, legislative autonomy as a critical component of executive oversight, and the need for reorganization of the organizational structure of the parliamentary staff."[8]

The examples of typical legislative strengthening activities provided above, as well as the recommendations provided by the training STA in the preceding paragraph, are all important to legislative strengthening and improving the system of "checks and balances" in developing countries. However, these activities are not sufficient. In order for a parliament to contribute to the advancement of economic development in its country, substantive training is required on relevant issues such as pension reform, poverty reduction, international trade policy, and labor policy. Such training would permit legislators to better understand and respond to the needs of their constituents, and ensure that the executive branch is spending the government budget in a manner benefiting the country.

[8] ARD/SUNY Rwanda National Assembly Support Project, Final Report to USAID, pg. 8, October 2003.

Democracy Indicators for Countries in which USAID is Currently Funding ILS IQC Task Orders

Freedom House: Freedom in the World Survey -- Civil Liberties Index Score (1-7, 1 being the highest degree of freedom and 7 the lowest) & Status (Free, Partly Free, Not Free)	**Heritage Foundation: Index of Economic Freedom** Score (1-5, 1 is most economically free), Rank (1-155, most to least economically free) & Status (Free, Mostly Free, Mostly Unfree, Repressed)	**Transparency International: Corruption Perceptions Index** Score (1-10, 10 is "highly clean;" 1 is "highly corrupt"), Rank (1-158, 1 is least corrupt)	**Freedom House: Freedom of the Press Index** Score (1-100, 1 representing the most freedom of the press), Rank (1-194, 1 representing the most freedom of the press) & Status (Free, Partly Free, and Not Free)
1) Tanzania – 3, PF	1) Jordan – 2.79, 58, MF	1) Jordan – 5.7, 37	1) Tanzania – 51, 111, PF
2) Jordan – 4, PF	2) Morocco – 3.18, 85, MU	2) Morocco – 3.2, 78	2) Malawi – 54, 114, PF
2) Malawi – 4, PF	3) Tanzania – 3.41, 109, MU	3) Tanzania – 2.9, 88	3) Pakistan – 61, 126, NF
2) Morocco – 4, PF	4) Malawi – 3.65, 129, MU	4) Malawi – 2.8, 97	4) Jordan – 62, 128, NF
3) Pakistan – 5, NF	5) Pakistan – 3.73, 133, MU	5) WBG – 2.6, 107	5) Morocco – 63, 131, NF
4) Afghanistan – 6, NF		6) Afghanistan – 2.5, 117	6) Afghanistan – 68, 145, NF
4) WBG – 6, NF		7) Pakistan – 2.1, 144	7) WBG – 84, 182, NF

Regional Medians of Scores

1) Sub-Saharan Africa: 4	1) MENA: 3.08	1) MENA: 3.4	1) SSAf: 58.5
2) S. Asia: 5	2) SSAf: 3.38	2) SSAf: 2.6	2) S. Asia: 67
3) MENA: 5	3) S. Asia: 3.6	3) S. Asia: 2.5	3) MENA: 70.5

III. ALTERNATE APPROACHES TO LEGISLATIVE STRENGTHENING

In general, international democracy and governance programs fall into one of the following four categories:

- Rule of Law and Human Rights Reform.
- Promoting Transparent/Free Elections and a More Competitive Political Process.
- Development of a More Active Civil Society.
- Developing Governance Structures that are More Accountable and Transparent.

In the 1990s, a wave of democracy spread around the world, as non-democratic regimes in the former Soviet Union, Eastern Europe, Africa, and Asia permitted political openings. Faced with rising popular demand for political liberalization, country after country began experimenting with various forms of western representative government. However, in almost all of the countries transitioning from dictatorial or authoritarian rule to democracy, the national legislatures which emerged were weak, subordinate to the executive, not fully representative of citizens and groups, and poorly funded, staffed and equipped.

Legislative strengthening programs have attempted to enhance the representative, lawmaking, and oversight functions of legislatures. Initially (1980s and early 1990s) the focus was on redressing the balance of power between the executive and legislature by building up the technical capacity of the latter.[9] The typical forms of assistance included: training and study tours for legislators; training and skills development for legislative staff; development of internal operational and management procedures; and infrastructure strengthening activities (e.g., computers, libraries, data bases). In the mid-to-late 1990s, legislative support programs began to focus on the linkage between legislatures and civil society, with a greater emphasis on representation. Typical of these new program activities were: technical assistance and training to non-governmental organizations (NGOs) supportive of parliamentary development; initiatives to train journalists who cover legislatures; and support for advocacy groups that might provide technical input to legislation.

As discussed previously, the USAID strategic paradigm for legislative strengthening provides essentially a structural-functional approach to legislative development in transitional and developing countries. Other donors and non-governmental organizations have, however, experimented with special issue approaches to legislative strengthening, integrating the work they do with parliaments with critical economic development and policy issues. The premise

[9] USAID, Handbook on Legislative Strengthening (February 2000), p.3.

is that economic growth, governance, transparency, and accountability are all linked dynamics in a successful democratic transition.

Special Issue Approaches

ILS programs are generally oriented toward building internal institutional procedures and processes which support the functioning of a modern legislature or parliament. However, the trend towards "special issue" approaches has been increasingly noticeable over the last decade. Whether linked to a particular issue confronting a legislature, such as WTO or EU Accession, which requires the organization and its members to play a stronger role, or as part of a program to fight corruption and money-laundering, these initiatives are increasingly viewed as critical tools for organizations promoting democracy, social change, and economic growth.

Most special issue programs explicitly acknowledge the role that legislatures can play in economic growth, frequently focusing on their role in the legal / regulatory, budgetary, or oversight processes.[10] In general, they also seek to incorporate legislatures and legislators into the policy development process, providing them with means to better understand complex economic issues, guidance on roles and responsibilities, and help to establish global peer groups of parliamentarians to exchange experiences and ideas.

Special issue approaches typically combine top-down and bottom-up approaches to ILS through a focus on a specific issue. Proponents such as the UNDP, the World Bank, and SIDA, argue that narrowing the scope of technical support to a critically important issue, rather than focusing on systemic legislative problems, results in more successful capacity development, greater process orientation, and increased political will to create consensus for reform.[11]

The objective of this approach is two-fold: (1) to increase the effectiveness of development assistance, by engaging legislators and staff on economic, social and political issues of real and immediate importance and by emphasizing the legislative functions of oversight, lawmaking, and representation; and (2) to impact the issue itself. By example, the World Bank has taken the lead to strengthen the role of parliament in poverty reduction. As part of its Poverty Reduction Strategy Paper (or PRSP) process, the World Bank supports activities to strengthen parliamentary committee systems, particularly those involved in the budget cycle and in legislative oversight, to achieve poverty reduction goals.

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[10] Frederick C. Stapenhurst and Richard Pelizzo, "A Bigger Role for Legislatures," Finance and Development (Quarterly Magazine of the IMF) 39:4, December 2002. See also Nick Manning and Frederick C. Stapenhurst, "Strengthening Oversight By Legislatures," PREMnotes, No. 74, October 2002, World Bank.

[11] Interviews with K. Scott Hubli, NDI; Frederick Stapenhurst, World Bank; Randi Davis, UNDP. See also K. Scott Hubli and Alicia P. Mandaville, "Parliaments and the PRSP Process," World Bank Institute, 2004.

Another typical example of the special issue approach is gender-based budgeting. Gender-based budget analysis is a political tool to determine the impact of national budgets on women and children and highlight the economic costs of gender inequality. The UNDP and others have focused on the legislative budgeting and oversight role as a means to advocate for greater equity in the allocation of national resources and the empowerment of women. This increased interest in oversight issues has extended to the global fight against corruption and efforts to promote transparency in the governance process. Although sometimes stymied by the lack of political will or the inability of legislatures to assert constitutional power in countries where the executive is the dominant player, initiatives such as Global Organization of Parliamentarians Against Corruption (GOPAC) and the African Parliamentarians Network Against Corruption (APNAC) have emerged in recent years as important advocates for the productive role legislatures in promoting good governance and accountability.

Selected Donor/NGO Program Profiles

The universe of organizations involved in DG programs, and ILS activities in particular, is quite large. It includes donor organization such as USAID, other bilateral aid providers, and UNDP; international financial institutions like the World Bank; global non-governmental entities like NDI, IRI and IREX; and country/region specific institutions such as the Philippines Center for Legislative Development or the Commonwealth Parliamentary Association (CPA). FMI initially reviewed this broad spectrum of players for comparability with USAID and then screened them to focus on several who shared: a) a global portfolio of programs; b) a commitment to DG initiatives and legislative strengthening; c) demonstrated interest in the special issue approach and ILS; and d) a willingness to commit staff and financial resources to programming.

The World Bank and PRSP

The international financial community launched a series of initiatives to combat poverty in the late 1990s, culminating in a cooperative effort with developing countries to design and implement Poverty Reduction Strategy Papers/Process (PRSP), which established a multi-year framework for national poverty reduction. The World Bank quickly established itself as the leader of this process, with PRSPs developed jointly in over 70 countries around the world and becoming a required step for countries receiving assistance through the Heavily Indebted Poor Country Assistance initiative (HIPC), the International Development Association (IDA), or the Poverty Reduction Growth Facility of the IMF.[12]

[12] K. Scott Hubli and Alicia P. Mandaville, "Parliaments and the PRSP Process," World Bank Institute, 2004. See also, World Bank Institute Website at http://www.worldbank.org/wbi/governance/parliament/.

Early experience with PRSP, however, revealed that Parliaments played a minor role in the process, with participation limited to individual members (all too often from the ruling party) from a very few countries. Recognizing that this represented a potential obstacle to political acceptance and program sustainability, the World Bank – supported by key bilateral donors, policy institutes and Civil Society Organizations (CSOs) – moved to modify the PRSP process, making it a focal point for the Bank's relatively new parliamentary support portfolio.

The Bank believed that linking parliaments to the PRSP process would result in a more participatory process, an enhanced sense of country ownership of the PRSP, and improved mechanisms for monitoring and evaluation (particularly vis-à-vis budgeting). In addition, a long term strategy to promote Parliamentary involvement in issues of governance, transparency and accountability was developed. This "upstream" role was designed to encourage an open and public debate of poverty issues, incorporate the practical perspective of those in poverty, and provide for more effective follow-up by governments on PRSP commitments.

Based on the results of this dialogue and analysis, the Bank initiated an accelerated process of integrating Parliaments into the PRSP process, including a more explicit link to its existing World Bank Institute (WBI) training and technical assistance efforts. According to senior staff at the Bank, legislatures are an increasingly important part of the organization's plans at both the HQ and Country Office levels.[13] Initially the resource investments were small, but the institutional commitment to support these issues is strong, including a preliminary list of 32 target countries (although only 16 currently have ILS related programs).

Strategic direction and decisions on specific technical assistance are led by the Bank's Country Directors, and based on an analysis of whether the programs are likely to achieve the desired results. Key criteria for launching projects include whether a strategic plan has been developed and approved by the country, the quality and importance of the national legislature, the stage of PRSP implementation, and the existence of other donor investments in related issues. The Bank believes it is important that its legislative programs complement the activities of other donor organizations and actively coordinates these efforts with the IMF, UNDP and others. Total investment in the programs over the last five years is estimated at $25 million with a primary focus on issues of oversight, poverty reduction and budgeting (committee work especially); a secondary focus is on representation, legislating, and constituency relations.[14]

Most of the training and technical assistance delivered by the World Bank is done through WBI and takes place through seminars/workshops which are implemented in Washington, D.C., on-site, or via distance learning technologies.

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[13] Interview with Frederick C. Stapenhurst, World Bank, 12-20-2005.
[14] IBID

Although initially this training focused on educating individual MPs on key topics in economic development, there is an increasing emphasis on enhancing the capacity of parliament as an institution of governance. Activities are varied, but can be grouped around the following major categories:

- *Parliamentary Oversight* – workshops and seminars designed for members of the Public Accounts and Finance / Budget Committees have been delivered to over 5,000 MPs and their staff. These programs frequently include representatives from Central Auditing Institutions, the Executive Branch or CSOs and have included: "Parliament and the Budget" which provides tools and knowledge on financial analysis, the system of checks and balances, and fiscal planning; and "Curbing Corruption" which helps parliamentary staff to effectively participate in anticorruption efforts and explains the links to poverty reduction.
- *Governance and Poverty Reduction* – training programs and outreach initiatives which focus on raising awareness among parliamentarians about PRSP and to assist them in understanding their role in this process. Programs frequently seek to bring together parliamentarians, CSO leaders and civil servants with the aim of building national and regional coalitions in support of poverty reduction. One major element of this effort is work with "Money Committees," in particular Committee Chairmen, to develop best practices for governance, strong analytical skills and establish information sharing programs.
- *Knowledge Management and Empirical Analysis* – preparation and broad dissemination of studies on parliaments and their role in economic development including the well received Series on Contemporary Issues in Parliamentary Development which included: E*Parliaments, Parliament and the PRSP, Parliament and the Media, Legislatures and the Budget, Parliamentary Ethics, and Parliamentary Oversight.
- *Networking and Partnerships* – support to and participation in a series of cooperative initiatives aimed at leveraging resources, sharing information and developing a global consensus on key issues in parliamentary development. This includes the establishment of the Parliamentary Network on the World Bank (PNoWB), joint training and technical assistance with the Commonwealth Parliamentary Association, and collaborations with the National Democratic Institute (NDI – further details below) on training manuals and best practice guidelines for parliamentarians. The PNoWB has been a particularly effective tool, sponsoring for example a parliamentary field visit program in which groups of 10-15 parliamentarians from donor and developing countries spend four days in a PRSP country meeting with all stakeholder groups to asses first hand the PRSP process and Bank operations. The program, funded by a Finnish grant, has taken MPs to India, Nigeria, Uganda, Burundi, Albania, Kenya, Serbia/Montenegro, Ethiopia, Yemen, Nicaragua, Vietnam, and Madagascar. It has been so successful that the PNoWB has called on the Bank and IMF to not consider any Poverty Reduction Strategies which has

yet to be placed before parliament and will be followed by a separate initiative on parliamentary involvement in the strategies themselves.

A recent evaluation of Ghana, Tanzania, Niger and Malawi, funded by the GTZ and Parliamentary Centre in Canada, concluded that PRSP was effective in fighting poverty but that improvements needed to be to improve the role of parliaments in the PRSP process.[15] Key conclusions include:

- Weaknesses in the budgeting process and strong control by the Executive branch over the planning, formulation and execution of national budgets undermine PRSP goals to increase pro-poor spending. The parliament's ability to impact this area therefore remains questionable.
- Although parliamentary relations with civil society groups engaged in the PRSP process show signs of strength and should be expanded in the future, direct outreach and interaction with the poor is limited.
- As PRSP became more a part of the parliamentary agenda and tool for fighting poverty, Oversight Committees and individual MPs with an interest in poverty reduction have had an increasing impact on the process. Strong committee chairs in Tanzania, for example, were noted for their ability to build consensus and impact the policymaking process.
- Gender equality issues remain vastly underemphasized in the PRSP process, despite the more prominent role played by women parliamentarians in policymaking and poverty reduction efforts.
- Monitoring and evaluation systems for PRSP efforts have not been effectively implemented. Parliaments in the country's surveyed have shown an interest in this issue area, conducting public hearings and establishing independent "observatoire," but a systemic effort which takes advantage of this potential strength is lacking.

The study found that there is great potential in the PRSP process and its linkage to parliaments. It recommends that country governments and donors: 1) emphasize increased parliamentary roles in monitoring/oversight; 2) integrate women more completely into the process; and 3) focus on micro-level policy issues such as education or HIV/AIDS, instead of the more complex macro-economic policymaking that has been the focus to date. Donors must take a stronger role in training and educating stakeholders to address these systemic weaknesses in budgeting and outreach to the poor.

The Bank has reported that this program has shown modest but increasing effectiveness, with PRSPs formally presented to parliament in about half the countries with full strategies; about one third of PRSPs now highlight the role of Parliaments either through a dedicated standing committee (Azerbaijan/Ghana) or through MP membership in an executive-led PRSP steering committee.

[15] Dr. Steven Langdon and Rasheed Draman, "PRSPs in Africa: Parliaments and Economic Policy Performance," 2005, Governance and Democracy Division, Project Democracy and the Rule of Law, Parliamentary Center, Government of Canada, GTZ, Government of Germany.

Including in Albania, the education sector's 2003 budget increased as a result of discussions between Friend of Education and the Parliament. However, it is important to note that as of yet no comprehensive evaluation of the effectiveness of these programs has been undertaken. A recent study by GTZ and the Canadian Parliamentary Centre noted, "There is growing concern that pro-poor spending is generally not performing as projected because of budgetary implementation weaknesses and that it has taken much time to develop effective monitoring systems for PRSP activity."[16]

UNDP's Global Programming

The United Nations Development Program (UNDP) is in many ways similar to USAID in its priorities and scope, including the use of a highly decentralized system of programming initiatives and resources. Active in over 150 countries worldwide, UNDP's portfolio of activities has traditionally included: poverty reduction, democratic governance, crisis prevention/recovery, energy and the environment, and HIV/AIDS prevention. Although historically the organization has been focused on addressing crisis situations, alleviating human suffering and responding to important social issues, the last twenty years have seen an increasing interest in issues related to democratic transition, and the last ten years have seen an upsurge in those aimed specifically at parliaments.

UNDP's programming is decentralized, with Resident Representatives playing a key role in design, coordination and implementation of technical assistance initiatives. These specialists are central to all stages of the project cycle including engaging host country governments or NGO counterparts in the design effort, seeking out funding from bilateral donors or UN trust funds, and overseeing actual project implementation. Although core funding for technical assistance does exist at the HQ level, resources are allocated based on per/capita income criteria, meaning that the bulk of this assistance goes directly to poverty relief in countries like India and China.

Within the area of democratic governance, legislative/parliamentary strengthening has become increasingly important, particularly in conflict/post-conflict environments (e.g. Afghanistan, Iraq, Sierra Leone). Although precise figures concerning the number and scope of projects are not available, between 1994 and 2001 the number of programs which directly "supported the strengthening of parliament" increased from 6 to 40. This number has continued to rise, with over half the 166 country offices requesting support or assistance in this area during 2004-2005. Given the decentralized nature of the funding process, estimates of resources allocated to ILS by UNDP vary, but are generally viewed as substantial with over $25 million dedicated to technical assistance in 2005 alone (not counting special programs such as the $15 million dedicated to Afghanistan).[17]

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[16] IBID, pp. 5.
[17] Interview with Randi Davis, Parliamentary Adviser, UNDP, 12-23-05.

UNDP's ILS portfolio includes a broad mix of activities, some process oriented, some targeting/responding to particular country or regional developments, and others tied to long term development goals. Specifically, these include:

- *Election Assistance* – from organizing voter education processes to helping establish Consultative Conferences to guide country's on their first ever elections, the UNDP has been at the forefront of electoral work. Often collaborating with other donors and NGOs, successful efforts have been completed in Sierra Leone, Timor-Leste and Cambodia.
- *Constitutional Reform* – the UNDP has played a lead role in working with governments on drafting of new constitutions and related framework legislation, especially in post-conflict environments. This has ranged from supporting the Constituent Assembly in Timor-Leste to assisting a new parliament in Tajikistan with drafting its charter and parliamentary rules following successful elections.
- *Strengthening Internal Organizations* – similar to USAID, the UNDP has taken an active role in drafting rules of procedure, upgrading internal information systems, and professionalizing the parliamentary civil service. This ranges from database and email system development in Peru to improving the committee system and parliamentary oversight procedures in Benin and Mozambique.
- *Civil Society and the Media* – this area focuses on outside actors, principally NGOs and journalists, able to impact the legislative process. Work with the Forum of Women in Democracy (Uganda) which has strengthened their grassroots input into budgeting or support to establishing a Media Centre inside Indonesia's National Assembly which helped journalists and politicians interact are examples of these efforts.
- *Policy Development* – in a number of countries, the UNDP has engaged with local counterparts to address specific policy issues. This has ranged from human rights legislation to governance to accountability. In Paraguay, the UNDP was critical to a wide ranging effort which brought together diverse stakeholders in an effort to develop a White Paper on changes to the legal/regulatory framework and helped complete the country's National Strategy to Fight Poverty.

Like USAID, the UNDP's monitoring, evaluation, and measurement of results of specific projects is underdeveloped. Comprehensive analysis and evaluation of the effectiveness of global programming in given technical areas such as ILS is done infrequently, perhaps due to the decentralized nature of project operations. However, the UNDP Practice Note on Parliamentary Development (2003) did offer a number of lessons learned based on previous assessments, including[18]:

[18] "Parliamentary Development: Practice Note," April 2003, Institutional Development Group, Bureau for Development Policy, UNDP.

- *"Lawmaking has been a central focus of capacity building activities"* – In the 1990s more and more UNDP funded programs emphasized issues such as legal drafting skills development, updating of rules and procedures, and advice on organizational structure. Fewer programs addressed the functions of oversight and representation, and it was recommended that greater balance be sought with increased attention to budgeting, accountability and constituent relations.
- *"Interest in and need for oversight programs is growing"* – The UNDP noted a significant rise in requests from parliaments for training in the budget process, strengthening of research and analytical skills, or improvements in the committee system. This trend was especially noteworthy in Africa, although former Soviet countries in transition were becoming more interested in the oversight role of parliament as these countries focused legislative attention on market reform.
- *"Issue-based (as opposed to institutional) approaches to strengthening a parliament are emerging as a significant means to expose democratic value while building the capacity of the parliament"* – This conclusion has grown out of the UNDP's experience that when working to resolve a particular issue (e.g., public outreach on decentralization laws in Nigeria), involving representatives of the legislative, executive and NGO sectors has yielded improved results. In addition, its field work in politically volatile environments or those where there is significant legislative-executive branch tension has bolstered this conclusion. In these instances, an issue based approach has proven a useful and indirect strategy to bring sometimes opposing political actors together to facilitate relationship building and capacity development.
- *"Evaluative information on the impact of international efforts at parliamentary development is lacking"* – As noted earlier, measurable indicators for parliamentary development are particularly challenging to develop and the UNDP is no exception. In response to this conclusion, the organization has worked with other donors and leading NGOs to develop global indicators and now requires that project indicators and monitoring systems be part of program formulation.

NDI, Global NGO

The National Democratic Institute (NDI) has established itself as a leader in democratic governance work, including an increasing focus on legislative strengthening. NDI, however, is perhaps unusual in the depth and breadth of its programming, focusing on delivering practical assistance to political and civic leaders advancing democratic values, practices and institutions. NDI stands out in particular for its strong track record of collaboration with a wide range of bilateral and multilateral institutions, engagement in both traditional and non-traditional programming, and commitment to measuring results.

Founded over twenty years ago, NDI's global programming portfolio touches on the full range of issues associated with democracy development including: citizen participation, democratic governance, elections and political processes, information and communication technology, political party development, security sector reform, and women's participation. With an annual programming budget of over $75 million, NDI is perhaps best known for its recent work on elections in post-conflict zones such as Iraq or Afghanistan. Its DG portfolio represents about 30% of all programming and has become increasingly important to global efforts to institutionalize democratic reforms.[19]

Within DG, the programming is generally divided among four complementary areas: constitutional reform, legislative development, local government, and public integrity. As a non-profit organization which relies on outside funding sources, NDI programs are frequently tied to particular donor priorities, working with the World Bank on PRSP issues for example or assisting SIDA in a broad program evaluation. Recent years, however, have seen an upswing in efforts to promote cross funding with NDI successfully incorporating commercial law or socio-economic goals into its more traditional democracy projects. This has been particularly true in the area of HIV/AIDS, where efforts to address this health crisis have been positively impacted by CSO development activities and targeted support to research and development.

The legislative strengthening area is of increasing interest to NDI, with approximately 25 programs involving legislatures in 2005. These programs generally operate at the politician/political actor or grassroots level, focusing principally on those involved directly with the governing process, rather than with local NGOs or other participants. NDI's primary objectives in these programs, which include members of parliament, are to address specific development challenges and fill gaps in the policymaking process. These programs can be categorized as follows:

- *Initiatives designed to complement activities of other donors*, including most prominently, extensive and ongoing assistance to the UNDP and World Bank on poverty reduction issues. This work has included efforts to critically evaluate the results of poverty programming, development of extensive and detailed manuals on how Parliaments/Parliamentarians can play a more effective role in the PRSP process, and communications / outreach efforts.
- *Direct technical assistance under U.S. Government funded programs*, assisting for example with political party and parliamentary caucus development in Morocco with the support of first USAID and now MEPI. These programs are generally implemented in complement to broader initiatives.
- *Peer-to-peer programs* which engage specific parliaments directly in the reform process, delivering training to particular committees/members,

[19] NDI Website, Democratic Governance, http://www.ndi.org/globalp/gov/governance.asp.

helping to improve research facilities and communications skills, and bringing former legislators in to share best practices. NDI's network of senior volunteers is an essential element of this activity and a unique resource it is able to bring to bear on ILS programs.

- *Advocacy with international financial institutions* to promote greater investments in legislative strengthening and democracy programs ranging from direct lobbying of these organizations to supporting joint research programs which explain the links between democratic transition and broader economic/social prosperity.
- *Implementation of legislative assessments and evaluations* designed to analyze the results of completed ILS initiatives, assess whether fledgling deliberative decision-making bodies are open to / prepared for technical assistance, and generate lessons learned for future programming. NDI and other donors have utilized the results of these initiatives to help guide resource investments and develop new implementation tools.

Anti-Corruption Programming Networks

Although anti-corruption programs have long been an essential part of the international community's development portfolio, only recently has the role of parliaments in achieving greater transparency and accountability emerged as a key component of this effort. This development can be attributed to many factors, including lessons learned from donor involvement with parliaments, the realization by leading policymakers in Africa and Asia that corruption undermines efforts to promote democracy and economic reform, and the recent emergence of regional and global networks dedicated to combating corruption.

One major outgrowth of this effort has been the emergence of regional and global networks of parliamentarians dedicated to fighting corruption. These entities, some formal and some informal, are actively working to build capacity and raise awareness of the important role legislatures can play in transparency and accountability. This has been particularly true in matters of budgeting, finance, and the global fight against money-laundering. In particular, regional networks have emerged in Africa, South Asia and Southeast Asia, and the Global Organization of Parliamentarians Against Corruption (GOPAC) was formed in 2002. These networks, and others which are emerging in Latin America and Eurasia, have served as capacity builders and advocates for change, targeting a wide array of problems facing parliamentarians in their particular regions.

Donor institutions and bilateral governments continue to fund discrete anti-corruption programs, but the emergence of these networks provides a potentially unique development tool. Even in the limited time that they have been active, recent studies indicate that their impact has been felt in a number of ways including:

- *Guidebooks, training programs and peer support networks aimed at individual parliamentarians.* This includes the Parliamentary Code of Conduct and Legislative Ethics passed by GOPAC, training on watchdog techniques and tools by the African Parliamentary Network Against Corruption (APNAC), and seminars on specific legislative development issues such as anti-money laundering or the budgeting process. As a result of GOPAC led initiatives, parliamentarians in Senegal and Kenya were able to introduce and push through anti-corruption and economic crimes legislation.
- *Growth of individual country chapters of the leading regional and global anti-corruption networks* with more than 15 chapters of APNAC now established throughout the African continent, while national chapters of GOPAC have emerged in countries such as Argentina, Brazil and Korea. This evolutionary development has provided increased global support for anti-corruption efforts, spurring cooperative efforts with organizations such as Transparency International and the signing of a cooperation agreement between GOPAC's Latin American chapter and the OAS.
- *Emergence of parliaments as a global voice and partner for reform, in particular on anti-corruption and anti-money laundering issues.* As a result of the training, education, and outreach efforts implemented by the regional and global parliamentary networks, individual members and their institutions have become increasingly involved as national, regional and international advocates for reform. Examples of this increased profile include the integration of parliamentary issues into the United Nations Convention Against Corruption, joint training with the International Compliance Association for Latin American policymakers, and the launch of a full fledged Anti-Money Laundering Initiative.

IV. CONCLUSIONS & RECOMMENDATIONS

International Legislative Strengthening (ILS) programs are inherently problematical. The apparent conceptual premise underlying ILS and other democracy promotion initiatives (i.e., that democracy can take root anywhere, with no cultural, economic, or social preconditions) is increasingly under challenge. As more and more "transitional states" occupy the 'gray zone' between democratic and authoritarian rule, the idea that there will be a swift, linear progression to democracy has waned. Achieving democracy, good governance, and workable new political institutions is proving just as difficult as accomplishing economic development in these countries, if not more so.

ILS programs in particular face the difficult task of succeeding in inhospitable environments. Most transitional states feature strong executives, weak CSOs, and formal legislatures with little or no power. Legislatures in these countries are frequently under-funded, lacking even basic equipment, materials, and communication systems, and staff turnover is high. Political considerations, both in the transitional country and in the U.S., often play a role in the selection

process for ILS assistance, including both the level of funding and the kind of program activities authorized. These and other factors all lead to Thomas Carother's observation that ILS programs are the least effective of all the democracy promotion efforts.

USAID has taken a multipurpose, multifunctional approach to legislative strengthening. USAID's overwhelming focus has been the legislature *per se*, leading to a programmatic emphasis on internal organization (process, procedures, administrative structure, roles, etc.). More recently, the USAID ILS approach has evolved to feature more attention to lawmaking, representation, and constituent services, including interaction with CSOs. However, generally lacking has been a focus on the oversight role of legislatures, particularly regarding executive branch regulations, budgeting and spending. In other words, the USAID/DG/ILS program provides general support to legislative bodies, helping them to organize and operate at a general level, but seldom ventures into the realm of targeted technical assistance and training aimed at developing effective committee systems, strong legislative oversight, or special expertise on an economic issue (e.g., poverty, corruption) that impacts the development of the country.

USAID's approach, it can be argued, provides an essential level of base support for legislative bodies. Other donor agencies are thankful for this programmatic approach by USAID because it allows them to utilize their own resources on special issues of importance to their organization, rather than on spending for parliamentary infrastructure and maintenance. Thus, the World Bank and others are able to "piggy-back" or leverage their resources. The World Bank, for example, spends only about $5 million per year on its innovative PRSP parliamentary projects.

Within the current USAID/DG organizational structure and culture, and the contractor and NGO network that surrounds it, it is unlikely that there is much interest in experimenting with special issue approaches to ILS.[20] For example, there remains a strong bias within ILS programming for the legislature qua legislature, especially internal organizational process and procedure, instead of a focus on policy or budgetary oversight of the executive by the legislatures. As discussed above, the vast majority of the TOs issued under the new ILS IQC demonstrate this point conclusively.

If USAID were to experiment with a special issue approach on a limited basis, one strong candidate for attention would be commercial law reform related

[20] A quick anecdote. Once, in an unnamed country, FMI sought permission from its USAID CTO to assist the executive branch in drafting a financial law, only to be told that a legislative strengthening program existed. A meeting was arranged, and FMI explained the situation to the USAID/DG officer and to her Chief of Party. The response: "Of course you may draft that law. That's substance; we only do process."

to financial sector development. The criteria for selecting an economic issue as the focal point of ILS attention would include:

- Critical, priority importance of the issue to international development.
- Likely duration of this issue at the top of the development agenda (staying power).
- The ability of the issue to achieve Mission "buy-in" or acceptance.
- Compatibility with USAID's functional approach to ILS.
- Susceptibility to rigorous, quantifiable measurement and performance monitoring.

Financial sector reform is a critical development issue that lies squarely at the nexus of legislative strengthening and economic growth. Raghram Rajan and Luigi Zingales have argued persuasively that financial markets development precedes economic growth, reduces barriers to market entry for start-up companies, increases competition, and expands opportunities for self-employment and economic mobility.[21] USAID/EGAT has asserted that financial sector development leads to "increased investment, economic growth, and welfare. No economy has developed without an efficient financial sector."[22]

Within the domain of financial sector development, commercial and legal reform is a key component. One critical precondition for the successful development of financial markets is a legal and regulatory framework that guarantees property rights, enforces contracts, mandates timely disclosure of financial information, and protects against financial failure by financial intermediary institutions. Commercial and legal interventions by USAID and other international agencies have focused on drafting written (framework) law to establish the formal "rules of the game," on providing assistance to implementing institutions (courts, bailiffs), and on supporting institutions that create the fabric of a civil society to enhance the effectiveness of formal legal regimes and of the process for implementing and enforcing commercial law.

Much of this commercial law technical assistance has been focused on the executive branch of the government, with little attention paid to the legislative or parliamentary dimension. Draft laws on financial markets (bankruptcy, securities markets, mortgages, micro-enterprise financing) are typically prepared in collaboration with the finance ministry or the central bank, on the assumption that the legislature is: (a) subservient to the executive; (b) an obstacle to the drafting of coherent legislation consistent with international standards; (c) ignorant of financial markets issues; (d) corrupt and subject to influence by vested interests; or (e) all of the above. This approach to commercial legal reform, however, fails to institutionalize the rules of the economic game by

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[21] Raghram Rajani & Luigi Zingales, Saving Capitalism from the Capitalists (New York: Crown Business Books, 2003) pp. 108-125.

[22] USAID/EGAT, Financial Sector Strategy (Washington, D.C., December 16, 2003).

grounding the law in the parliament, and exacerbates the tendency towards financial sector ignorance on the part of legislators, who are in turn incapable of performing their critical oversight role. Commercial law reform is an area in which legislative process and substantive economic and financial should be inextricably intertwined.

One **cross-cutting** intervention would be to combine legal reform of the economic and financial system and legislative strengthening through the creation of an independent "Commercial Law Center (CLC)." The CLC would serve as a catalyst for change both in the legal framework and in executive/legislative relations. The essential concept is flexible enough to be successfully replicated in most developing countries.[23]

A CLC would be created for the purpose of providing independent, non-partisan expertise on financial, trade, and business law to the parliament. The CLC would be "legislative-centric," but would also need to establish working relationships with government economic and financial ministries. The CLC would be structured as an NGO, with a board composed of representatives from the government, parliament, the private sector, and leading academic institutions (law, business schools, economics faculties). Initially, the CLC would have a core group of expatriate advisers, working with a much larger staff of national legal and economic / financial professionals. The expatriate advisers would include an attorney specialized in business / financial law, a legislative process expert, a legal drafting expert, and perhaps a capital markets specialist. Local professional staff would consist of attorneys, financial analysts, economists, legislative specialists, public relations / communications, and others as required. Relationships would be developed with key legislative committees, with leading CSOs and educational institutions, and with business associations. The CLC would:

- Leverage respected academic and business resources to:
    - Assess gaps in the structure and enforcement of formal legal regimes;
    - Identify unique features of local commercial activity that serve as alternatives to formal legal regimes that can be developed to enhance business activity, change behaviors, and create demand for more formal reforms in the business environment and commercial legal framework;
    - Develop and monitor intervention priorities and sequencing strategy;
    - Develop legislative drafting capacity, and provide feedback and coordination among different projects working on commercial, civil, and constitutional reform.

[23] FSU countries, for example, have well-developed academic institutions and are accustomed to developing highly structured "scientific" systems, but lack a developed entrepreneurial class. Middle Eastern countries, by contrast, have a thriving entrepreneurial class that developed despite the absence of a structured legal regime and well-developed academic institutions. A CLC would probably not be appropriate where there was neither a well-developed educational system nor an entrepreneurial class.

- Serve as a forum to bridge the learning and communication gap among legislators, executive branch officials, entrepreneurs, and academics on commercial and financial issues.

- Provide feedback on enforcement and implementation gaps in financial sector and business regulation, and serve as a catalyst for legislative oversight hearings.

- Facilitate the emergence of CSOs and business lobbying groups focused on legislative committees addressing financial, economic, and budget issues.

There are other economic development issues that are strong candidates for a legislative special interest approach. For example, pension reform, which requires changes to social security, labor, and financial sector laws, is a critically important issue of growing international development concern. Likewise, international trade agreements (WTO, bilateral agreements) and privatization of state-owned enterprises would be good candidates for a special issue approach. What is required is an integrative approach to development, the breakdown of bureaucratic barriers, and a willingness to experiment.