



PD-ABI-726 88/6/61  
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

MISSION TO PAKISTAN

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01 SEP 1993

Mr. Kenneth D. Wollack  
President  
National Democratic Institute  
for International Affairs  
1717 Massachusetts Ave., N.W.  
Fifth Floor  
Washington, D.C. 20036

Subject: Grant No. 499-0002-G-00-3763-00

Dear Mr. Wollack:

Pursuant to the authority contained in the Foreign Assistance Act of 1961; as amended, and the Federal Grant and Cooperative Agreement Act of 1977, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to the National Democratic Institute for International Affairs (hereinafter referred to as "NDI" or "Grantee") the sum of Seven Hundred Thirty One Thousand, Seven Hundred and Thirty Dollars (\$731,730) to support the Grantee's electoral assistance program for the Pakistani provincial and national elections in October 1993, as described in the Program Description of this Grant.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from July 26, 1993 until January 15, 1994. Funds disbursed by A.I.D. but uncommitted by the Grantee at the completion of this period shall be refunded to A.I.D.

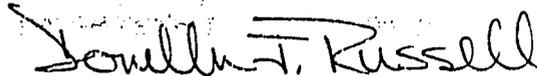
This Grant is made to NDI on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, "Schedule", Attachment 2, "Program Description", and Attachment 3, "Standard Provisions", which have been agreed to by your organization.

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Mr. Kenneth D. Wollack, President  
National Democratic Institute  
for International Affairs  
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Please acknowledge your receipt of this Grant by signing the original and all copies in the space provided below, retaining one copy for your files and returning the original and remaining copies to the Grant Officer.

Sincerely,



Donella J. Russell  
Grant Officer  
Office of Contracts and Commodities  
Contracts Division

ACKNOWLEDGED:

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

BY: 

NAME: Kenneth D. Wollack

TITLE: President

DATE: 9/9/93

Fiscal Data

PIO/T No.: 499-0002-3-30003  
Appropriation No.: 72-1131021.1  
Budget Plan Code: HDVA-93-27391-KG12  
Amount Obligated: \$731,730  
Total Estimated Amount: \$731,730

Cognizant Technical Officer: Curt Wolters, O/POD  
TIN No.: 52-1338892

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SCHEDULE

A. Purpose

The purpose of this Grant is to provide support for the electoral assistance program for the Pakistani provincial and national elections in October 1993, as more specifically described in Attachment 2 to this Grant entitled "Program Description".

B. Period of Grant

The effective date of this Grant is September 1, 1993. The estimated completion date of this Grant is January 15, 1994. Costs incurred as of July 26, 1993 in furtherance of grant activities are hereby authorized.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$731,730 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Standard Provision No. 4, entitled "Payment - Letter of Credit."
3. Documentation required by the payment provision noted above shall be submitted to:

Agency for International Development  
Office of Financial Management  
FA/FM/CMP/LC  
Room 700, SA-2  
Washington, D.C. 20523-0209

D. Financial Plan

The following is the Grant Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget."

Grant Budget 7/26/93 - 12/31/93

Personnel	\$107,667
Space and Utilities	6,600
Supplies & Equipment	22,100
Communications	12,500
Travel	288,400
Consultants	53,975
Other Services	22,536
Other Direct Costs	34,457
Sub-grants	37,666
Indirect Costs	<u>145,829</u>
Total	\$731,730

E. Reporting and Evaluation

1. Financial Reporting

- a. Financial reporting shall be in accordance with the Standard Provision entitled "Payment - Letter of Credit."
- b. The original and two copies of all financial reports required in paragraph a. above shall be submitted to the address in Article C.3. above, and one copy each, duly marked "Copy," shall be submitted to the Cognizant Technical Officer and the Office of Financial Management, USAID for Pakistan and Afghanistan.

2. Program Reporting

- a. Within 60 days after the Pakistan elections, the Grantee will submit to the Project Officer a final grant report. This report will cover, but not be limited to: major activities undertaken; number of people and groups assisted or coordinated; constraints to the electoral process; summary of how the various involved groups, including the international election observation team, described the degree to which the elections were free and fair; and recommendations on how the electoral process could be strengthened.
- b. The Grantee shall submit two copies of each report required by this Grant to the Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Development Information

Division (PPC/CDIE/DI). All documents should be mailed to:

PPC/CDIE/DI  
ACQUISITION  
Room 209, SA-18  
Agency for International Development  
Washington, D.C. 20523

All reports forwarded shall include a descriptive title, the author's name(s), grant number, the project number and title, grantee's name, name of the AID technical office, and the publication or issuance date of the report.

F. Special Provisions

1. Technical Office

The cognizant AID technical office is the Program Operations Division, USAID for Pakistan and Afghanistan. The Grant is funded under the regional Asia Democracy Program (499-0002). The Grantee will also coordinate activities with the U.S. Embassy in Pakistan.

2. Applicable Provisions

The following Additional Standard Provisions shall not be applicable to this Grant:

3, 4, 6, 11, 15, 17-22, 24, and 28.

3. Taxes

No funds provided by A.I.D. under this Grant shall be used to finance identifiable local taxes, duties, or other such charges, surcharges or levies, from which A.I.D. is exempt under any agreement between the Government of Pakistan and A.I.D.

4. Indirect Cost Rates

Pursuant to the Standard Provision entitled "Negotiated Indirect Cost Rates - Provisional (Nonprofits)", a rate or rates shall be established for each of the Grantee's accounting periods which apply to this Grant. Pending establishment of revised indirect cost rates for each of the Grantee's accounting periods which apply to this Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the

following negotiated rate(s) applied to the bases which are set forth below:

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Fringe Benefits	39.4%	<u>1/</u>	<u>2/</u>
Indirect Costs	27.2%	<u>3/</u>	<u>2/</u>

- 1/ Total salaries, excluding compensated absences
- 2/ 10/1/1992 until amended
- 3/ Total Direct Costs less equipment purchases and subcontracts and subgrants

G. Closeout Procedures

This section prescribes uniform closeout procedures for this Grant.

1. The following definitions shall apply for the purpose of this section:
  - a. Closeout. The closeout of a grant is the process by which A.I.D. determines that all applicable administrative actions and all required work of the grant have been completed by the Grantee and A.I.D.
  - b. Date of Completion. The date of completion is the date on which any work under a grant is completed or the date on the award document, or any supplement or amendment thereto, on which A.I.D. sponsorship ends.
  - c. Disallowed Costs. Disallowed costs are those charges to a grant that A.I.D. or its representative determines to be unallowable in accordance with the applicable cost principles contained in the Standard Provision "Allowable Costs", e.g. OMB Circular A-122, or other conditions contained in the Grant.
2. A.I.D. closeout procedures include the following requirements:
  - a. Upon request, A.I.D. shall make prompt payments to a grantee for allowable reimbursable costs under the grant being closed out.
  - b. The Grantee shall immediately refund any balance or unobligated cash that A.I.D. has advanced or paid

and that is not authorized to be retained by the Grantee for use in other grants.

- c. A.I.D. shall obtain from the Grantee within 90 calendar days after the completion date of the Grant all financial, performance, and other reports required as a condition of the Grant. A.I.D. may grant extensions when requested by the Grantee.
- d. The Grantee shall account for any property acquired with A.I.D. funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards".
- e. In the event a final audit has not been performed prior to the closeout of the Grant, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

## **PAKISTAN ELECTION ASSISTANCE**

### **PROGRAM DESCRIPTION**

#### **PURPOSE**

The purpose of this grant is to provide pre-election assistance and an international election observation team for the October 6 and 9, 1993 national and provincial elections in Pakistan to strengthen the processes for ensuring a free and fair election.

#### **SUMMARY**

The National Democratic Institute for International Affairs (NDI) proposes to conduct a comprehensive electoral assistance program in support of the national and provincial elections that will be held this October in Pakistan. The proposed program includes four components: 1) a pre-election survey mission to assess administrative preparations and the campaign environment; 2) a sustained in-country NDI presence that will (a) provide training for domestic monitoring efforts by political parties and other interested groups, (b) observe and document political and administrative developments during the official campaign period, and (c) provide information to other observer groups; 3) an international and multipartisan observer delegation; and 4) follow-up post-election investigation and discussions to assess and encourage confidence in the complete electoral process.

#### **BACKGROUND**

On October 6 and 9, 1993, the people of Pakistan will vote in the third series of elections for the national and provincial assemblies since 1988. The holding of these elections is widely preferred by many inside and outside of Pakistan to the country's historical means of resolving political disputes, namely the imposition of military rule. However, the circumstances leading to the upcoming elections also underscore the inability of previous elections to reconcile and forestall continuing political polarization and the unresolved tensions in the balance of power among the president, prime minister and the military.

Indeed, it seemed likely that these elections would be held earlier when President Ghulam Ishaq Khan dissolved the government of Prime Minister Nawaz Sharif in April 1993. The president sought to end an escalating power struggle between himself and the prime minister

by first undermining and then ultimately removing Sharif. Sharif's leading opponent, former Prime Minister Benazir Bhutto (whose government Ishaq Khan dismissed in 1990) had been pressing for new elections since 1990 and supported the president's move. However, the Supreme Court overruled Ishaq Khan in an unprecedented 10-1 decision that restored Sharif to power in May. The court's ruling, and public approval of it, appeared to signal a new independence for Pakistan's judiciary and improve the prospects for defining the uneasy constitutional balance between Pakistan's two highest civilian leaders. The absence of any military response was also viewed as a promising sign insofar as it signalled the army's willingness to distance itself from political disputes and the civilian institutions created to resolve them.

However, Ishaq Khan and Bhutto refused to accept the political oblivion to which they appeared destined after the court's decision. Prime Minister Sharif was unable to capitalize on his overwhelming vote of confidence and further alienated his opponents, whose separate but consistent pressure against him raised the specter of continuing political instability. This led the newly-appointed Army Chief of Staff, Abdul Waheed Khan, to mediate among the contentious political leaders and broker the agreement that led both Sharif and Ishaq Khan to resign on July 18. With the establishment of a caretaker government under Moeen Qureshi and the army's promise to supervise the elections, Pakistan's political leaders are poised to compete for the third time in five years.

NDI recognizes that the upcoming elections may not address the complex constitutional and political factors that have prevented the governments elected in 1988 and 1990 from completing their terms. However, NDI is persuaded that its presence can in the short term enhance confidence in the electoral process, and that supporting the integrity of a democratic process is a worthwhile objective for a country still very much in transition. By applying the lessons learned from its previous work in Pakistan and elsewhere, the Institute also believes that it could promote greater understanding of the role and function that elections can and should perform to sustain Pakistan's long-term democratic development.

NDI understands that the interim government of Pakistan has extended a welcome to all international observers for the upcoming elections. Drawing upon the history of NDI's involvement in Pakistan, the Institute proposes to conduct a series of activities to support the electoral process.

## **PROPOSED ACTIVITIES**

The following proposed activities draw upon the lessons learned from NDI's previous involvement in Pakistan (and a number of other countries). For the October 1993 elections, NDI plans to devote substantial resources to pre-election assistance and observation. This strategy stems primarily from the conclusions expressed in NDI's report on the 1990 elections, which highlighted the weakness of Pakistan's parties in monitoring and evaluating the elections:

As in generally the case elsewhere, Pakistan's electoral system relies heavily on the political parties to educate their supporters, train election day workers and establish safeguards against fraud. Yet in many instances, the political parties were incapable of meeting these responsibilities... [While party agents were present and active on election day], they did not seem prepared for problems when they arose. In addition, parties that alleged pre-election or election day fraud were often not properly prepared to document their complaints nor did they try to correct abuses that may have been caused by misfeasance rather than malfeasance.

Political parties should improve the training programs they use to prepare their workers for election-related activities and parties should better equip themselves to react to potential problems... Party agents have significant responsibilities; they need the benefit of instruction from their sponsoring parties.

NDI also seeks to use a sustained, in-country pre-election presence to educate Pakistanis and other observers about the contributions and limitations that international observers can make to an electoral process. As the NDI report noted in 1990, "[international] observers do not serve as substitutes for domestic political parties or election-related organizations." NDI proposes to devote the bulk of its institutional capabilities to encourage and enable Pakistan's political parties and other interested groups to monitor and evaluate their own elections.

At the same time, NDI also proposes to complement this effort with an international observer presence that can reinforce the will and, to a more limited degree, the capacity of indigenous groups to instill confidence in the electoral process. The delegation's work will incorporate and be supported by a professional and considered approach. Nonetheless, it is important to reiterate that "election observing is not a science" and that particularly in politically polarized environments, unequivocal evaluations of elections may not be possible.

## **A. Pre-Election Assistance**

### **1. Pre-Election Survey Mission**

NDI would organize a survey mission to Pakistan at the beginning of the official campaign period to assess administrative preparations and the campaign environment leading to the October 1993 elections. The survey mission's other areas of inquiry would include:

--- feasibility of and interest in an on-the-ground NDI program to train domestic election monitors and organize a parallel vote tabulation;

--- receptivity to sustained in-country NDI presence throughout September to observe and receive information on the electoral process;

--feasibility of and interest in mechanisms that will enable NDI to share its pre-election information with other observer groups that may be present for the election;

--receptivity to an NDI-sponsored international observer delegation for the October elections;

--feasibility of and interest in participating in a post-election multiparty round table discussion on the completed electoral process and the tasks ahead.

NDI expects that the delegation would consist of at least five or six members and comprise a senior NDI representative with election observation experience, an independent specialist on Pakistan politics, an election law specialist/trainer, a current or former elected official, and an experienced political organizer. One or two program assistants would also travel to Pakistan to facilitate logistical and organizational arrangements for the group and the proposed in-country program presence. One or more members of the delegation would also remain as field representatives if the in-country presence is welcomed in Pakistan. The delegation would be multinational and bipartisan in composition.

### **2. In-Country Training and Observation Presence**

NDI proposes to place six representatives in-country to organize and conduct training sessions with party activists and civic groups that may be interested in election monitoring. The team would produce informational training materials to be distributed to all parties outlining aspects of the process to monitor and document and educate party agents on the avenues of inquiry and redress for problems that arise. Upon request, NDI would also work with individual parties

to devise an intra-party communications and reporting system for their party agents.

In addition to providing training, NDI's in-country team would also be responsible for gathering information on the electoral preparations, receiving data and following up on complaints, and observing and documenting developments during the campaign. As the election draws near, this team would also establish - in consultation with the relevant authorities at the Election Commission and the Ministry of Foreign Affairs -- an office from which members of other observer delegations can receive information gathered by the NDI team and seek advice on election-related briefings and deployments for election day.

Another focus of the NDI team would be to assess how best to carry out a parallel vote tabulation (PVT) during election day. This technique enables parties and independent groups to verify results reported by the electoral authorities that are conducting the official ballot count. As noted in a recent article co-authored by two NDI election specialists, "where allegations of vote fraud have some resonance ... PVTs can encourage participation [,]...deter fraud...reveal manipulated vote totals...promote the reporting of timely and credible, albeit unofficial, election results[,] and provide a focus for election monitors." Unlike an exit poll, a PVT is based on actual results reported at the polling station and not information provided by voters as they leave the voting area.

A PVT can be implemented in several ways depending on which of the above goals is most important. A comprehensive PVT utilizes monitors' reports of counted ballots from polling stations to verify the official results. A "quick count" PVT utilizes information gathered from a statistical sample of polling stations. In a parliamentary electoral system, quick counts can be used to verify - but not project -- national election results based on the correlation of accuracy between the statistical random sample and the official comprehensive results.

Ideally, a PVT would be conducted by a credible, independent and nonpartisan indigenous organization, or coalition of organizations, that would organize a monitoring program. However, NDI has in the past observed great reluctance among nonpartisan groups in Pakistan to engage in the electoral process. NDI will assess the interest of as many groups as possible in coordinating a PVT during the initial survey and pursue follow-up assistance if there is demonstrable potential as well as desire.

In some instances, NDI has itself conducted a PVT based on information provided by coordinated and trained independent monitors willing to provide the specified data to NDI PVT advisors. For a number of reasons, it is not clear that this is an appropriate option for the upcoming elections in Pakistan. Moreover, in both

1988 and 1990, NDI observer delegations benefitted from self-generated statistical analyses to assist post-election evaluations of election fraud. Based on comparing electoral histories from all of the constituencies, the analysis helped to identify anomalies in certain constituencies. Although a statistical analysis is not a substitute for a PVT, NDI expects to use this technique again in 1993 even if PVTs are not conducted.

However, it is important to note that whether NDI conducts the PVT program itself or assists indigenous groups to conduct it, a successful PVT requires hundreds, if not thousands, of trained poll watchers who will report information reliably from polling stations identified in the statistical sample. Thus the PVT should be regarded and explained as a viable product of an effective monitoring program and not a separate activity.

NDI's six-person in-country team would comprise four professionals with appropriate political/electoral organizing skills and two program assistants to provide logistical and administrative support. While it is difficult at this writing to project the skills of each person, the team as a whole would possess the following skills, attributes and experiences: international election monitoring, familiarity with election laws, professional training background, ability to develop and demonstrate organizational skills, political judgement, cultural sensitivity, common sense, and program, financial, and personnel management. If possible, NDI would also seek the participation of an independent specialist on Pakistan politics as a member of the team to supplement the institutional guidance and historical perspective provided by the NDI office in Washington.

Additional NDI assistance for PVT and statistical analysis may require another program advisor. The responsibilities for this advisor include devising statistical sampling and writing the appropriate computer programs that would weight, consolidate and process the data required for these verification tools. It may also be necessary for NDI to enter into a cooperative agreement with local nonpartisan group(s) to provide the necessary financial support for election monitoring and PVT activities. Such financial assistance would not be provided to political parties.

The in-country team's specific deployments and responsibilities will be identified after the pre-election mission. NDI also anticipates the need to hire capable and reliable local staff to help implement the various activities outlined above.

## B. Election Day/Follow-Up Assistance

### 1. International Observer Delegation

As in 1990, NDI proposes to organize an international observer delegation to be present during the elections. Currently NDI projects the size of the delegation at 30 members -- about the same size as 1988 but, owing to the current emphasis on sustained pre-election monitoring, smaller than 1990. The delegation would be multinational in composition, and the U.S. contingent (about 50 percent) would be bipartisan. NDI will consult with its Republican counterpart, the International Republican Institute, to designate and invite some of the U.S. participants. It is anticipated that the U.S. portion of the team will maintain a near equal balance of Democrats and Republicans.

The length of time the delegation will stay in country and how they will be deployed depend on several factors, including the presence of other groups and an ongoing assessment of how or whether the information NDI has compiled on particular constituencies should affect the placement of its limited number of international observers. It may be, for example, that the NDI delegation would limit its deployment to particular regions and/or constituencies that statistical and empirical data suggest would be potentially troublesome. NDI also anticipates that about 10 members of the delegation, as well as in-country and some Washington staff, would remain in Pakistan to observe the provincial assembly elections.

In keeping with general practice, the delegation would arrive in Pakistan three or four days before the (national) election day, be briefed by NDI resident program staff and the appropriate political party, government, NGO and election officials at the national level; deploy to the regions for similar pre-election briefings at the local level; observe the balloting and counting reconvene for a debriefing to discuss the findings of the delegation teams; and then draft and issue a public statement. The question of assigning functional responsibilities (i.e. examining the impact of medical coverage, judicial inquiries, etc.) to groups within the delegation, as was done in 1990, is perhaps moot in light of the pre-election presence, but will nonetheless be considered as the election date draws near.

Depending on the resources available and the degree of coordination desired, NDI would also be willing to consider assisting other observer groups with their informational needs (substantive and logistical) before, during, and after deployment. NDI would also welcome information other groups may wish to share of their observations. Nonetheless, each group will be solely responsible for the content and timing of its own post-election statement.

2. Post-Election Follow-Up

As in 1990 and 1988, NDI will conduct post-election follow-up activities to assist in the preparation of final report that will be distributed widely within the country. Such activities would include investigation of the handling of election-related complaints and interviews with representatives of the contesting parties and administrative bodies.

NDI recognizes that the 1993 elections could be a historic moment in determining Pakistan's future democratic prospects. These elections are not, however, by themselves determinative, and there will be a need for all leading Pakistanis to identify the immediate post election challenges to, and opportunities for, democratic governance.

Equally important, the persistent lack of confidence in previous elections points to the need for discussion and debate of how elections can be perceived and valued -- independent of the outcome -- as a viable democratic institution and process in Pakistan. NDI believes it is critical to create an opportunity for Pakistanis to discuss how these and future elections in Pakistan can produce political stability. Based on past experience in Pakistan and elsewhere, NDI believes that this dialogue could be most productive if it includes all competing political forces and is facilitated by an independent, neutral entity.

To complement the individual consultations that would take place after the elections, NDI also proposes to convene a multiparty roundtable discussion to assess the recently completed elections. Pakistani political leaders would be invited to exchange their views on the conduct of the elections, the campaign environment, and mechanisms that can enhance confidence in the process itself. Depending on the timing of such a program, the agenda can also address broader issues that will affect Pakistan's long-term democratic development, such as the role and function of political parties in the legislative assemblies and the relations between the legislative and executive branches of government. Factors that will influence the timing (indeed, the actual viability) of such an undertaking include the extent to which the 1993 election results are accepted and respected by the contesting parties and the prospective presidential elections in the Senate.

## **ANTICIPATED OUTCOMES**

NDI anticipates that its program will contribute substantially to the following outcomes:

- 1) encourage public participation in the election process through the network of party monitors and informed international observers;

- 2) help deter election-related fraud and intimidation during the pre-election period and on election day;
- 3) enhance the capacity of indigenous organizations to become involved in the election monitoring process, and thereby strengthen these organizations internally as well as enhance confidence in the elections themselves;
- 4) develop and implement a system for comprehensive substantiated reports on the elections from the monitors;
- 5) promote greater understanding within Pakistan about the appropriate role of international and domestic observers in the electoral process;
- 6) promote greater understanding within Pakistan about the appropriate role and function of electoral processes in sustaining democratic development; and
- 7) develop relationships with NGOs and parties in Pakistan that may lead to future NDI democratic development programs.

## PROJECT EVALUATION

NDI plans to monitor and evaluate the program according to established evaluation procedures. NDI will request written and oral critiques from international and Pakistani participants after the project. NDI will also conduct on-site interviews with session participants and political leaders to assess the impact of the training program.

NDI Washington staff will work cooperatively with the in-country staff to continually reevaluate program content and implementation plans and make adjustments as necessary. Indicators that will be examined to assess the effectiveness of the program will include the following:

- 1) Did all significant political parties in Pakistan participate in the program?
- 2) Did the parties organize pollwatching efforts throughout the country and/or in targeted constituencies?
- 3) Did the seminar participants organize their own training sessions and recruit additional pollwatchers?
- 4) Did the parties collect and tabulate their own polling site results? Did they adapt or prepare written materials?
- 5) Were the parties able to adequately document election-related complaints?

- 6) After the elections, did the parties have a stronger national network of party activists? Did the parties have improved mechanisms for communicating with their activists?
- 7) Have parties or NGOs established consultative relationships with members of the NDI field staff and/or international experts?
- 8) Was a PVT or other vote count verification operation conducted and analyzed in the correct manner? What was the impact of the PVT?