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**GOVERNANCE:
THE ISSUE AND DONOR ACTIVITIES**

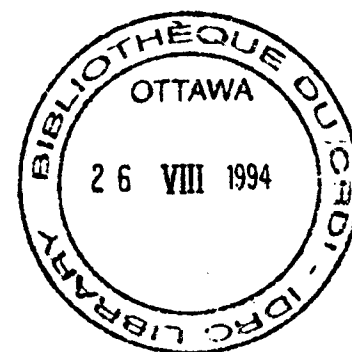
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I. INTRODUCTION

1. The report does not constitute a complete survey of multilateral and bilateral agencies with regards to their policies, programmes, research, and fiscal commitment in the area of governance. But, the sample is sufficient to map out the nature of the issue. It is sufficient to understand the issue within the larger context of development and to draw some conclusions regarding trends and directions of developments in the area. Reviews are means to an end, and it is the end that is of importance. The end in this case is to understand the nature, the roots, the objectives and the significance of governance within the larger context of development and development aid.

2. The findings of the report are presented as follows: Section II, *Governance*, discusses governance the issue, its origin, the objectives, competing views, and the range of issues entailed in the concept. Section III, *Historical Context*, locates the development of governance in the historical context of the 1980s, the global recession of the early 1980s, the consequences for the developing world, the emerging consensus around liberal democracy and market economy at the end of the 1980s, structural problems of developing countries and conceptual problems in development aid. Section IV, *Donors and Governance*, examines the rationale for governance as argued from different perspectives, and summarises international institutional development in the area. Finally, Section V, *Policies, Programmes, Projects*, details developments of individual donors, broken down into multilateral and bilateral agencies, and foundations, research institutes, and NGOs.

II. GOVERNANCE

The Issue

3. Governance refers to a concentrated focus on public administration, including government and bureaucracy. It is a concentrated focus on the organisational structure, the management, and performance of government and public service in developing countries. The term "governance" is a fairly new addition to the development vocabulary. But, the issues covered by the term have been a focal point of bilateral and multilateral agencies for some time. Governance is the terrain where distinct, and at times competing development concerns converge to seek solutions to their specific problems.

The Origins

4. Several interrelated reasons account for this concentration, this convergence on public administration. The reasons are; the global recession of the early 1980s; worsening social and economic conditions, rising social tensions and political conflicts, and structural problems in developing countries; the collapse in the late 1980s of the political and economic organisational structures in Eastern Europe and the Soviet Union; an emerging consensus on liberal democracy and the market economy to the only relevant political and economic organisational structures today; and conceptual problems in development aid.

The Objectives

5. The objective of governance is to improve the performance of public administration. It is to make government and public service more effective, efficient, open, accountable, predictable, and responsive. Depending on the development focus improvements in public administration are seen as necessary conditions for economic, political, or social development. Public administrative reforms are viewed to be necessary, alternatively to; a) set the enabling framework for the development of the market economy; b) control the power of the state, guarantee human rights and civil liberties, and democracy; or, c) ensure greater budget allocations for social and human development.

Competing Perspectives

6. The ambiguity and contradiction associated with the term "governance" arises from the fact that this focus on public administration is coming from several different directions, leading to competing views and definitions. The World Bank, for example, defines governance as "the manner in which power is exercised in the management of a country's economic and social resources for development,"¹ or "the management of a country by establishing institutions through a known system of rules, which are applied, interpreted and amended according to known procedures."²

7. For the U.S. Agency for International Development (USAID) governance refers to "the quality or effectiveness of government,

¹World Bank; Managing Development: The Governance Dimension. A Discussion Paper (Washington: June 26, 1991), p. 1.

²World Bank/Public Sector Management Division, Technical Department Latin America and the Caribbean Region; Governance: Experience in Latin America and the Caribbean (LATPS Occasional Paper Series, No. 1, March 29, 1991). p. 1.

administrative efficiency, political effectiveness (the ability to pursue sound economic policies 'in the face of significant opposition from societal groups'), and policy analytic capability."³ The Ford Foundation views governance "as a set of relationships between central government, local government, NGOs, citizen groups, individuals and communities."⁴ Others define governance in terms of issues such as corruption, rule of law, administrative capacity, a greater share of public investment going to development (as opposed to, say, the military), etc.

8. Because of different concerns - economic development, political development, and social development - expressed in this focus of public administration, the term "governance" is extended to cover a wide range of issues. The results are ambiguity, confusion, if not contradiction.

Economic Development

9. Within the context of economic development the focus is on the management of a country's resources; the capacity of governments to design, formulate, and implement policies; and the recognition of the role of the private sector. It includes modernisation of state structures and public policies; decentralisation, deregulation, privatisation, financial accountability, budget transparency, and public sector reform. It involves strengthening the capacity and accountability of ministries and institutions that develop policies, establish expenditure priorities and the delivery of essential services. Public sector reforms include; cost-containment measures; strengthening personnel management; the effectiveness and efficiency of public agencies; management of public enterprises; and rationalising, privatising, restructuring, or liquidating public companies.

10. Policy reforms include the gradual elimination of export taxes and import protection, relaxation of regulations governing foreign investment, and financial liberalisation. Legal reforms encompass better communication of laws; ensuring consistency of laws; addressing constraints to implementation of laws; updating legal systems; training of the judiciary in business and economic laws; and encouraging extra-judicial alternatives when legal systems are overburdened, such as commercial arbitration and other dispute settlements mechanisms.

³USAID, "Democracy and Governance in Africa", (undated USAID internal background paper), p. 6.

⁴Ford Foundation, Africa Governance Meeting (Ford Foundation internal document, November 12-14, 1990), p. 11.

11. Finally, the focus is on human resources development, especially in basic health, education and manpower training; and on poverty alleviation to alleviate transitional social costs of adjustment and to lay the foundation for long-run productivity and growth, and for the continued adoption and institutionalisation of participatory political processes.

Political Development

12. Within the context of political development the governance focus is on ensuring equality of political opportunity and the strengthening of democratic processes and institutions. It includes; securing fundamental civil and political liberties and rights; enhancing pluralism and participation in society; strengthening democratic institution; increasing participation by disadvantaged groups in the policy-making process; improving the quality and responsiveness of governing institutions; improving government performance and delivery of services. The focus is on building or strengthening the structures of a civil society and democracy; independent legislature and judiciary; a free press; an educated and informed citizenry; and a functioning constitution and the rule of law.

Social Development

13. Within the context of social development governance covers issues such as; longer-term and comprehensive development strategies and national policies that take into account the economic, human, sociological and ecologic fabric of the society; financial resources for human development; restructuring of national budgets and international aid in favour of human development; controlling rising military expenditures, inefficient public enterprises, prestige protects, growing capital flight, and corruption.

14. It entails recasting development priorities to establish basic objectives of human development; enlarging the range of people's choices; making development more democratic and participatory; improving access to income and employment opportunities, education and health, and a clean and safe physical environment; creating opportunities to participate fully in community decisions; human, economic and political freedoms.

15. The focus is on alternative policies to sustain levels of output, investment, and human need satisfaction; priority use of resources to fulfil the needs of the vulnerable and the poor, particularly children; protecting basic health and nutrition of the low-income; restructuring within the productive sector to strengthen employment and income-generating activities; raising productivity in low-income

activities, focusing in particular on small farmers and informal sector producers in industry and services.

III. THE HISTORICAL CONTEXT

16. The issue of governance arose, as argued above, as a result of several interrelated developments in the 1980s; (1) the global recession of the early 1980s; (2) worsening social and economic conditions, and rising social tensions and political conflicts in the developing world; (3) the collapse in the late 1980s of the political and economic organisational structures in Eastern Europe and the Soviet Union; (4) an emerging consensus on liberal democracy and the market economy to the only viable political and economic organisational structures available; (5) structural problems in developing countries; and (6) conceptual problems in development assistance.

Global Recession of the Early 1980s

17. At the beginning of the 1980s, inflation accelerated in the world economy because of sharp upward movements in petroleum and other commodity prices. The developed countries reacted to this inflationary threat with contractive monetary policies, which led to tighter credit and high real interest rates. This situation in turn slowed economic growth and increased unemployment.

18. A worldwide recession began to take hold in 1981. By 1982 the real GDP of the developed countries was falling by 0.3 percent while their total import volume was decreasing by 1.2 percent. The drop in import volume was compounded by a sharp fall in the average price of imports of around 5 percent per year in 1982 and 1983.

Consequences for the Developing World

19. For the developing countries the external shocks and deteriorating terms of trade were devastating. In the highly indebted middle-income countries and in Africa, the terms of trade worsened by almost 15 percentage points over the past decade. Latin America's terms of trade deteriorated almost continuously during the 1980s, so that by 1989 they were 21 percent below their 1980 level. Countries whose exports heavily depended on petroleum (such as Ecuador, Mexico, Trinidad and Tobago, and Venezuela) saw their terms of trade decline by 37 percent on average.⁵ The plight of the least developed countries

⁵Inter-American Development Bank, *Economic and Social Progress in Latin America 1990 Report* (Washington: Johns Hopkins University Press, 1990), p. 3.

in trade was even worse with their share in world exports declining by two-thirds, from 1.5% to 0.5%, between 1965 and 1988.⁶

20. This trend turned the terms of trade sharply against the developing countries. The fall in commodity prices during the first half of the 1980s was the largest since the Great Depression. The commodity terms of trade, measured as the ratio of the index of commodity prices to that of manufactured goods, dropped nearly 40 percent between 1980 and 1986, as compared with the 30 percent drop between 1929 and 1932.

21. The falling dollar value of exports and the rising interest obligations caught many countries in a pincer movement, which led to a debt-servicing crisis in the early 1980s. The subsequent withdrawal of commercial bank lending resulted in a substantial net resource transfer to the rest of the world.⁷ The counterpart to this external transfer was a reduction in domestic resources available for investment. These factors slowed economic growth significantly, dragging it below population growth rates in a widening number of countries. This slowdown was reflected by the reduction of per capita income levels.⁸ Real wages dropped more than per capita real incomes.

22. Initially, the consequences of the recession were dealt with through stabilisation and adjustment policies, to provide a cushion to external shocks and to improve macro-economic management. But,

⁶UNDP, Human Development Report 1991 (New York: Oxford University Press, 1991), p. 4.

⁷For the Philippines, capital flight was equal to 80% of its outstanding debt between 1962 and 1986. In Mexico and Argentina, an amount equal to at least 50% of the money borrowed in the past 15 years has flown out again.(UNDP, Human Development Report 1991, p. 5)

⁸In nineteen out of twenty-five IDB member countries in Latin America and the Caribbean per capita income levels declined. Only the Bahamas, Barbados, Chile, and Colombia showed higher per capita incomes at the end of the decade than at the beginning. In the cases of Jamaica and the Dominican Republic, per capita income levels were barely maintained. Declines of 2 percent per annum or more were registered in Argentina, Bolivia, El Salvador, Guatemala, Guyana, Haiti, Nicaragua, Panama, Peru, Surinam, Trinidad and Tobago, and Venezuela. In several instances, per capita GDP is now below the level attained two decades ago. For Peru, the losses sustained in the 1980s wiped out gains going back to 1961.(Inter-American Development Bank, Economic and Social Progress in Latin America 1990 Report (Washington: Johns Hopkins University, 1990), p. 3,5)

adjustment policies in most cases aggravated the situation, especially for the poor. Real wages dropped and per capita income declined. In Africa wages dropped by 14.5% and in Latin America by 9%, over the period 1981-1986. Such declines in income have led to increased poverty and malnutrition.

23. Most developing countries also faced large drops in their investment rate. Not only investment in capital and infrastructure decrease, but also human investment declined. Declines in expenditure on social sectors in general led to a slowing down in the trend of declining infant mortality. The rate of school enrolment for the first time in history was dropping in many African countries, nutritional status was stagnating, and poverty-related diseases were increasing.

24. The adjustment process had an uneven impact on different segments of the society, falling disproportionately on the poor, the young, the aged, and on women. With falling real household incomes, women had to increase their income earning activities outside the home while continuing to carry the traditional responsibilities. Also, problems associated with child malnutrition, working children, and street children were on the rise.

25. With a decline in social and economic conditions developing countries experienced intensification of inequalities, rising ethnic conflicts, fragmentation of society, and political instability. The ruling elites in addressing these problems in many countries relied on authoritarian, even dictatorial solutions, with a pronounced clannish, military-dictatorial character. This further undermined human rights and civil liberties, not only of the ethnic minorities, but of the citizens as a whole.

26. Events in Eastern Europe raised consciousness about the possibility of political change. They further fuelled struggles for political autonomy and separate statehood. They also energised rising democratic movements of environmentalists, farmers, women, and workers demanding alternatives to the market economy and Western values, and a say in defining and controlling their future, further threatening economic development in the developing countries.

Emerging Consensus around Liberal Democracy and Market Economy

27. The collapse of the economic and political organisational structures of Eastern Europe and the Soviet Union also led to a growing consensus on the market economy and liberal democracy as the wave of the future. The U.S. government emphasised democracy as an emerging theme in U.S. foreign policy. In April 1990, at the Bretton Woods conference, the U.S. Assistant Secretary of State stressed the

need for African countries to move towards Western-style democracy. While recognising that the U.S. does not condition its aid on democratisation now, he emphasised that it may do so in the future. Secretary of State Baker in a speech at the Houston economic summit in July 1990 declared democracy as a central pillar of U.S. foreign policy in the post-Cold War era.

28. The French and British joined the chorus in June of the same year. President Mitterand in a speech to a Francophone African group said that France would give increasing weight to democratic change in its relations with traditional African partners. British Foreign Secretary Douglas Hurd in a speech to the Overseas Development Institute stated the need for Western aid to encourage African countries who are moving towards pluralism, public accountability, rule of law, human rights, and market principles. He stated that governments which persist with repressive policies, corrupt management, wasteful discredited economic systems should not expect Britain to support their folly with scarce aid resources. And the Canadian Government in June 1990 at OAS General Assembly meeting initiated the establishment of a Unit for Democracy to support and strengthen democratic processes in the hemisphere.⁹

Structural Problems

29. The relatively good growth performance of developing countries between 1965 and 1980 concealed deep-seated structural problems. The unprecedented financial and economic dislocations of the 1980s and the adjustment programmes exacerbated distributive inequities, the lack a coherent policy environment, and a vulnerability to external shocks.

30. Poverty, as UNICEF points out, is and remains largely a structural problem. Structural inequities have prevented many poor to grow out of their situation, especially in the rural areas. Most of the world's poor are still to be found in Asia, which suffered less from external shocks and whose populous countries, especially because of their relatively little outward dependence, were not forced to apply drastic adjustment policies.¹⁰ However, people in all developing

⁹OAS, Unit for Democratic Development (Resolution adopted at the eighth plenary session, held on June 8, 1990) (OAS, AG/RES. 1063 (XX-0/90)).

¹⁰Rolph van der Hoeven (UNICEF, New York), Adjustment Policies and Social Progress in the 1990s (paper read at the International Seminar on Structural Adjustment policies in the Third World, Dhaka 13-15 January 1990), p. 1-2.

regions share these problems. In Latin America, South Asia and the Arab States, poverty is reinforced by the very unequal distribution of assets. The squeeze of external debt servicing¹¹ on the resources available for human development is particularly severe in Latin America. In Africa, almost two-thirds of the people lack access to safe water, and fewer than half the children attend primary school. The problem of absolute poverty is increasingly concentrated in Africa. Even in East and South-East Asia, where overall economic growth has been fast, half the people still lack access to safe water and basic health care.¹²

31. In many developing countries, as The Economist noted just recently, bad policies have retarded growth for years, even decades. Persistent economic failure has principally been a case of destructive government intervention. Over the long term, the critical factor is not the quantity of external funds but the quality of investment, and this depends directly and indirectly on economic policy.¹³

32. There are deep-seated problems of governance which have affected the efficient use of resources. In the early 1980s, according to the World Bank, "as growth decelerated sharply and the developing world was adversely affected by a severe worsening in the terms of trade, the emergence of a climate of relative scarcity began to expose governance issues in many countries. Also, it was becoming increasingly clear that investment lending could not achieve its objectives in the absence of an appropriate policy environment."¹⁴

33. Latin America, as the Inter-American Development Bank noted, entered the 1980s seriously weakened by currency overvaluation, capital flight, and a general decline of competitiveness in world markets. The region's economic vulnerability was revealed by the external shocks generated from the world's industrial centre early in the decade. The falling dollar value of exports and the rising interest obligations caught several Latin American countries and led to debt-servicing crises in the early 1980s. The subsequent withdrawal of

¹¹Debt repayments take a large share of government budgets. The Philippines spend 36% of its central budget on debt servicing compared with 22% for social services. Jordan devotes 39% to debt service and 18% to social services. Mexico spends 20% on debt service and 18% on social services.(UNDP, Human Development Report 1991 (New York: Oxford University Press, 1991), p. 5)

¹²UNDP, Human Development Report 1991, p. 4.

¹³The Economist, The IMF and the World Bank. Two pillars of wisdom (October 12-18, 1991), p. 33-34.

¹⁴World Bank, Managing Development: The Governance Dimension (Bank internal discussion paper, June 26, 1991), p. 1.

commercial bank lending affected all countries in the region and resulted in a substantial net resource transfer to the rest of the world. The counterpart to this external transfer was a reduction in domestic resources available for investment, both public and private. Inevitably, these factors slowed economic growth significantly, dragging it below population growth rates in many countries.¹⁵

Conceptual Problems

34. The structural problems of the developing countries were exacerbated by conceptual problems of development aid. Development aid lacked a longer-term vision and strategies that took into account the economic, human, sociological and ecologic fabric of the society. The focus tended to be predominantly on economic development. In the first three decades aid went almost exclusively to finance projects. In addition, lending was overwhelmingly to governments, government agencies and state-owned enterprises.

35. In the 1950s development aid was concentrated largely on public sector capital. Power station projects, road building and other transport investments were much in favour. During the 1960s aid included lending in support of farming, education, population control and urban development. The focus was projects, and the emphasis was on the management, and the efficiency and effectiveness of projects. Involvement in policy and institutional development until the 1980s, was overwhelmingly towards the institutional development of the agencies implementing financed projects. Projects were undermined not by defects in design but by the broader policy environment. Boundaries of project appraisals were drawn narrowly. Loan conditions did not look beyond the project to the society as a whole. Neglected were concerns for income and assets distribution, income-generating activities for poor groups and basic needs provision.¹⁶

¹⁵Inter-American Development Bank, Economic and Social Progress in Latin America 1990 Report, p. 3.

¹⁶UNICEF, Adjustment Policies and Social . . . , p. 6-7.

IV. DONORS AND GOVERNANCE

36. Donors responded to the deteriorating social and economic conditions and structural problems in developing countries and the conceptual problems of development aid by concentrating on public administration - governance. Donors focused on institutional structure, management, and performance of government and the public service. The development of governance as a focal point was intensified by donors becoming increasingly more sensitive to public criticism of aid to governments which lacked democracy, had a poor human rights record, or were seen to be corrupt.

Governance Rationale

37. The rationale, the specific argumentation behind governance, differs according to the terrain from which it emanates, i.e., economic, political, or social development. Although the arguments focus on the same key elements, they differ in the priority assigned to them.

Economic Development

38. Investment lending could not achieve its objectives in the absence of an appropriate policy environment. The problem was the lack of institutions and practices essential for an efficient and modern economy, and the political consensus for necessary reforms. Specifically, the factors that contributed to poor development management were; (1) weak institutions; (2) inadequate legal frameworks; (3) weak financial accounting and auditing systems; (4) uncertain and variable policy frameworks and closed decision-making; and (5) corruption and waste.

39. Corruption and pervasive patronage in government in many cases perverted public investment choices to finance white elephants and contracting excessive foreign debt. Monopolies were sanctioned at great economic cost to the nation. Progress in policy reforms was offset by uncertainties in the investment climate, by inconsistent behaviour towards business by government agencies, by inconsistencies between new government policies and existing legal frameworks, and by discrimination against ethnic groups with strong business communities.

40. The public sector in many developing countries was characterized by: (1) uneven revenue collection; (2) poor expenditure control and management; (3) a bloated and underpaid civil service; (4) a large parastatal sector that provided poor returns on the scarce public funds invested in it; and (5) weaknesses in the capacity of core economic agencies to design and implement policies. The results were

large fiscal deficits and a progressive erosion of the capacity of the state to provide economic and social services.

41. Improving the effectiveness of investments and the prospects for economic development required policy reforms and improvements in the institutional framework and the performance of development management. That meant a greater focus on creating the enabling environment for development; reducing the area of government intervention and larger responsibilities for the private sector; reducing direct government involvement in production and commercial activity; a more efficient use of public resources and reducing fiscal deficits; and the devolution of power from the centre to lower levels of government. To improve public sector management and delivery of services would require more efficient public expenditure management, and reform of civil service and parastatal sector. Public administration simply needed to be more effective, efficient, open, accountable, and responsive to the needs of the market economy.

42. In addition, to reduce transitional social costs of adjustment and poverty, and to lay a sound foundation for sustained productivity and growth social policy and human resources development, especially in the areas of basic health, education and manpower training were needed. To secure the political consensus for these reforms required the adoption and institutionalisation of participatory political processes.

Political Development

43. Human rights, civil liberties and democracy were not advancing. Military and one party rule were predominant in developing countries. Political debate and competition, political participation and free elections were not the order of the day. Yet, democracy and broad participation were seen not only as complementary but also as supportive and necessary for the transition to market oriented economies and sustained economic development. Missing were the necessary democratic infrastructure and political culture.

44. What was required were political systems which respect civil and human rights; extend the rights of citizenship and political participation throughout the population; establish and maintain effective, responsive and publicly accountable government institutions; and, allow genuine political debate and competition, and periodic free and fair elections to assure the continuity of civilian rule.

45. Democracy, in addition to open and responsive government, and an effective, efficient, and accountable public service, required a democratic infrastructure and political culture in civil society.

Required was the development of independent centres of research and policy analysis; development and strengthening indigenous civic organisations to help educate people and serve as a vehicle to influence government; an independent and free media to reach mass audiences with public service messages on democratic values and practices; and the teaching of democratic values in the schools.

46. Without public administrative reforms and democratic infrastructure and political culture there could be no civil liberties and human rights, no political debate and competition, and no free elections and no civilian rule. There could be no democracy. Without democracy and competition in the "political market place" there could be no competition in the economic market place and no economic growth and development.

Social Development

47. Social and human conditions were deteriorating and basic human needs were not met, especially under the adjustment programmes of the 1980s. Yet, developing countries have the resources to meet many of their development goals including human development. The problem is financial resources are misdirected, inefficiently used, and wasted on rising military expenditures; inefficient public enterprises; prestige projects; growing capital flight; extensive corruption; and entrenched power structures that frustrate necessary reforms.

48. If priorities are set right, more money would be available for accelerated human progress. If markets functioned well and with an enabling policy framework for private initiative and broad-based participatory development people would be in a position to meet their own needs. Participatory development is the key to economic growth and human development.

49. What is required is an enabling framework for a people-focused development and broad participation. The objective must be to enlarge the range of people's choices and to make development more democratic and participatory. These choices should include access to income and employment opportunities, education and health, and a clean and safe physical environment. Individuals should have the opportunity to participate in community decisions and to enjoy human, economic and political freedoms.

50. While private spending on human development is quite important the public sector plays a critical, complementary role, specially where incomes are low and basic human needs remain unmet. Past development experience shows that markets alone cannot ensure good human development. Firm policy action is required to forge a

closer link between economic growth and human development. What is required are development strategies and national policies that take into account not only the economic but also the human, sociological and ecologic fabric of the society. One of the most important elements is a restructuring of national budgets and international aid in favour of human development.

International Institutional Developments

51. There has been a significant level of institutional development in the area of governance. There has been even more institutional development in the larger area of democratisation. Some donors have or are in the process of defining specific policies, programmes, and projects. Others are refocusing within existing programmes and projects. Then there are donors that have been active on governance and democratisation issues for some time.

52. In the multilateral community the World Bank is in the process of formulating a policy and programmatic position, and a research agenda on governance. At the United Nations, the United Nations Development Programme in 1988 established the Management Development Programme (MDP) to assist developing countries in improving their public sector and government management. In 1990 UNDP released its first annual Human Development Report to assist in formulating sound country strategies for human development. The UNDP Regional Bureau for Latin America and the Caribbean is in the process of formulating a governance programme for the regions. The United Nations University is planning to open a Centre on Governance in Barcelona. UNICEF, initially within the concept of "Adjustment with a Human Face" and now within the concept of "Development with a Human Face," has focused on governance and democratisation issues since the mid-1980s.

53. The Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) has made governance issues and support for democracy and human rights priority concerns. DAC is also in the process of collecting information on Member's policies and programmes in participatory development. OECD's Development Centre has made "Governance and Entrepreneurship" one of five themes of its 1990-1992 research programme. The Global Coalition for Africa, a consultative group set by the World Bank, has established a Sub-Committee on Governance and Democracy. The Organisation of American States (OAS) in 1990 set up a Unit for Democratic Development to support and strengthen democracy in the Latin American and Caribbean region. Finally, the Inter-American Development Bank (IDB) and the Asian Development Bank (ADB) have or are in the process of reasses-

sing their lending policies to address governance and democratisation issues.

54. On the bilateral side the U.S. Agency for International Development (USAID) is developing a Democracy Initiative to support development of democratic political systems world wide. The Australian International Development Assistance Bureau (AIDAB) is working toward the development of a policy statement on governance. The Danish International Development Agency (DANIDA) since 1988 has explicitly focused on human rights and democracy issues. The Norwegian Agency for Development Cooperation (NORAD) and the Swedish Agency for Research Cooperation with Developing Countries (SAREC) are in the process of formulating policy positions on governance and democratisation. The British Council views 'governance and democratisation' as important cross-cutting issues which deserve more attention. Finally, the German Federal Ministry for Economic Cooperation the Deutsche Gesellschaft fuer Technische Zusammenarbeit (German Association for Technical Cooperation, GTZ) are active in the area of governance and democratisation.

55. There are also several significant institutional developments taking place in foundations, research institutions and NGOs. The Ford Foundation has a well established Human Rights and Governance Program and is in the process of formulating its African governance programme for 1990s. The National Endowment for Democracy (NED) since 1983 has had a focus on "democratic governance," seeking to support efforts to strengthen democratic institutions around the world through nongovernmental efforts. The Asia Foundation's Center for Asia Pacific Affairs is undertaking a two-and-one-half year on the challenges to democratisation in Asia. The project is supported, among others, by the Rockefeller Brothers Fund and the German Konrad Adenauer Stiftung. The Scandinavian Institute of African Studies in Uppsala runs a three year programme on the Political and Social Context of Structural Adjustment in Sub-Saharan Africa that focuses on governance issues. Finally, the German Friedrich-Ebert-Stiftung and its counterparts the Konrad Adenauer Stiftung, the Friedrich Nauman Stiftung, and the Hanns Seidel Stiftung have deep roots in development assistance on governance and democratisation issues.

V. POLICIES, PROGRAMMES, PROJECTS

MULTILATERAL AGENCIES

World Bank

56. The World Bank is in the process of formulating a policy on governance. The issue, it is felt, is of concern to the Bank because both history and the Bank's own experience have shown that good governance is central to creating and sustaining an enabling environment for economic development. Moreover, from the Bank's perspective sound development management is inextricably linked with the returns to and the efficacy of investments that the Bank helps finance.¹⁷

57. A Bank Task Force of Governance has reviewed the issues of governance that lie within the Bank's mandate and prepared an internal discussion paper on "Managing Development: The Governance Dimension."

58. The process of formulating a Bank policy on governance is expected to proceed in the following steps:

- Dissemination to the staff of the key messages for the Bank in the discussion paper together with the Boards' guidance.
- A broad-based dialogue with borrowers, interested academics and others.
- Formulation of a research programme on the issues.
- A progress report to the Board on the Bank's ongoing experience with governance in about two years time.¹⁸

59. The Bank's primary focus in governance is on the overall management of resources for development. There are four key dimensions that are considered of relevance to the Bank; "capacity and efficiency issues in public sector management, accountability, predictability and the legal framework for development, and information."¹⁹

60. Specific Bank actions relating to governance are to be chosen selectively from the following range of options depending upon country circumstances and needs, the state of the dialogue with the borrower, and budgetary constraints:

¹⁷World Bank, Managing Development: The Governance Dimension. A Discussion Paper (June 26, 1991), p. 13.

¹⁸World Bank, Managing Development:, p. 21.

¹⁹World Bank, Managing Development:, p. 7.

- Assisting governments in reforms that they have identified or assisting them to identify reforms when they have asked for such assistance.
- Persuading governments through dialogue and economic and sector work of the need for reforms. Institutional and public sector management assessments and public expenditure reviews and financial accountability and legal sector reviews.
- Crafting country lending strategies and levels to take account of the impact of governance issues on development performance.
- Helping countries deal with the especially complex issues of poverty and the environment, where the quality of governmental performance is particularly important.
- Projecting a long-term vision of an enabling environment at country level, and supporting such fundamental ingredients as universal literacy, expanded primary education, better information on development issues and a supportive environment for a growing private sector.
- Improving implementation performance through greater efforts at assisting borrowers build ownership of adjustment programmes, understanding the political and social structure of the country as well as its laws and customs, and increasing attention to fostering an "implementation culture" emphasis on beneficiary participation in project design.²⁰

61. Governance issues are not new to the Bank. Until the 1980s the Bank's focus in institutional development was restricted to the agencies implementing Bank-financed projects. With the introduction of adjustment lending, the Bank broadened its focus to include overall public sector management and the improvement of sector-wide institutions and service delivery. Three areas have received most of the Bank's attention in the 1980s: "public expenditure management, civil service reform, and parastatal reform. Within public expenditure management, the emphasis has been on assisting borrowers improve public investment programming and the budget process. . . Under civil service reform, in the short term, the emphasis has been on cost-containment measures; in the medium term, on strengthening personnel management and the effectiveness and efficiency of public agencies. In the management of public enterprises, the Bank has been assisting borrowers rationalise the size of the public enterprise sector, privatise, restructure, or liquidate public companies, . . . to increase the returns on the government's investment sector. The core agencies for key

²⁰World Bank, Managing Development:, p. 17.

sectors and for national economic management have been assisted to strengthen management of these reform programmes and to give greater priority to and to increase efficiency in the delivery of social services. Decentralisation and tax reform are other areas where the Bank has supported government efforts to improve public sector efficiency."²¹

62. Similar shifts in the Bank's focus are taking place in areas such as accountability and the legal framework such as;

- Strengthening accounting in the public sector, focusing on the availability of comprehensive and timely information, classification of expenditures in a manner consistent with budget and programmes, appropriate analysis for decision making, comparison of budget and actual results, improving the organisation and responsibility for accounting in the finance ministry, and legal requirements for financial reporting;
- Auditing reforms to enable appropriate independence of the audit organisation specified in the legal structure, greater attention to "value for money" auditing, and improvements in the educational system and professional training.
- Country-wide accountability assessments and projects have been undertaken in Madagascar, Indonesia and Bolivia along the above lines.
- Assisting governments to establish or strengthen systems of financial accountability as they devolve financial power to local authorities.²²
- Strengthening the capacity and accountability of ministries and institutions that develop policies, establish expenditure priorities and oversee the delivery of essential services.
- Assessment of choice and participation options in the design and preparation of projects producing and delivering services.
- Encouraging beneficiary participation where appropriate, in the design and implementation of Bank projects, based on Bank experience with popular participation.
- Selective and focused use of local NGOs to enhance service delivery and ensure that the voice of the poor is heard in project design.²³
- Legal reforms, including better communication of laws, ensuring consistency of laws, addressing constraints to implementation of laws, updating legal systems, training of

²¹World Bank, Managing Development:, p. 8.

²²World Bank, Managing Development:, Annex, paras 6-19.

²³World Bank, Managing Development:, Annex, paras 20-31.

the judiciary in business and economic laws, and encouraging extra-judicial alternatives when legal systems are overburdened, such as commercial arbitration and other dispute settlements mechanisms.

- Legal Sector Reviews, undertaken at the request of borrowers, with a view to removing impediments to private sector activity.²⁴

63. Much of the Bank's current research is also on governance issues. Studies under way examine ways to introduce greater public accountability in public finance and in civil service management, as well as work on regulatory institutions and on the political economy of adjustment.

64. Future research will be in areas such as the rule of law, to explore the minimal juridical conditions for broad-based development. For example, in areas such as contract enforcement, employment and tenancy transactions, recourse against public agencies and judicial independence, there is a relatively consistent and culture-neutral experience on which countries can base their own efforts. Another area of future Bank research is accountability of public agencies to evaluate the wide variety of mechanisms and models available, including contracting out of services to private providers (on which some work is in progress), decentralisation of provision and/or finance, ombudsman mechanisms, "customer-driven" service systems and others. Further research could be on the two-way relationship over time between economic growth and changes in governance, on corruption, and on military expenditure, i.e., levels of military expenditure and budget deficits in the Third World countries.²⁵

65. There are no clear indications about World Bank annual budget expenditure in the area of governance. A clear policy position has yet to be formulated.

United Nations Development Programme (UNDP)

66. The United Nations Development Programme (UNDP) has undertaken several initiatives in the area of governance. In 1988 UNDP established the Management Development Programme (MDP) to assist developing countries in improving their public sector by enhancing government management capabilities. In 1990 UNDP released its first annual Human Development Report. The Report is designed to assist in formulating sound country strategies for human development, to

²⁴World Bank, Managing Development:, Annex, paras 32-60.

²⁵World Bank, Managing Development:, p. 20-1.

strengthen the data base for planning and monitoring, and to highlight the human development concern in aid allocations and policy dialogue. The UNDP Regional Bureau for Latin America and the Caribbean in May 1991, together with the United Nations University and Venezuela's Presidential Commission on State Reform (COPRE), held a brainstorming session on "Governance: The State and Civil Society" to formulate a governance programme for the regions. (It can be assumed that other Regional Bureaux have undertaken similar initiatives. Unfortunately, this could not be confirmed by the time of writing of this report.)

Management Development Programme (MDP)

67. The UNDP Management Development Programme (MDP) initiative came in response to a growing awareness that good management of human and financial resources in the public sector is necessary for sustained and equitable development. The thrust of the Programme is directed towards countries that request support for carrying out comprehensive programmes aimed at strengthening public sector management on a long-term basis. Most of MDP's resources (\$60 million for the period 1988-1991) are provided to poor countries, with priority given to those classified as least developed. No more than 50 percent of the resources are to be allocated to programmes in any one region.²⁶

68. MDP's specific focus is in the following areas;

- The organisation and the productivity of the public and parastatal sector;
- The capacity of an administration to formulate and implement long-term reform policies, whether or not arising from structural adjustment programmes;
- The organisation of the civil service, conditions of service, and human capabilities development in the public sector;
- The monitoring and evaluation machinery of the government, including services for statistics and auditing;
- Resource management, including planning, budgeting, taxation, capital market organisation, debt management, aid co-ordination and related fields;
- Training and research institutions in public administration and business management.

²⁶The following regional targets have been established for MDP funds: Africa:45-47%: Asia/Pacific:23-24%: Arab States and Europe:14-16% and Latin America and Caribbean:14-16%.

69. MDP began operating towards the end of 1988. By January 1991, more than 90 governments had requested support under MDP. Programming had begun in 77 countries. Project activities, fully or partially financed with MDP funds, had been approved in 32 countries. An estimated 60-65 countries can be expected to have approved project activities by the end of 1991. The total of MDP funds committed by the end of December 1990 for programme development and project activities was \$29.6 million. Latin America and Asia had the highest commitments against foreseen resources. Increased programming efforts in other regions, particularly in Africa, during 1990 were expected to result in a significant increase in commitments for countries in those regions during 1991. Most of the MDP allocation of \$60 million can be expected to be committed by the end of 1991.²⁷

70. MDP will, at the request of governments in developing countries, provide experts to help carry out surveys of management requirements, needs assessments and the formulation of long-term programmes. MDP also facilitates exchange of expertise and experiences between developing countries. In addition, MDP will assist in raising funds essential for the management improvement efforts. MDP resources are used only as seed money and will finance key inputs of the programmes. No more than \$1 million will formally be made available for each country.²⁸

71. National execution has become the preferred mode of MDP projects. With more projects coming on stream cooperation with specialised agencies and multilateral financial institutions has increased. Cooperation and coordination is particularly close with the World Bank, but it has expanded also with IMF, UNCTAD, UNCTC, ILO, UNIDO and UNCTAD.²⁹

Human Development Report

72. With its first Human Development Report in 1990 UNDP highlighted the need for human development. To address the problems of poverty, nutrition, health, education, and gender inequality, people are confront with globally, human development is required. The objective must be to ensure that individuals have the opportunity to participate fully in community decisions, enjoy human, economic and political freedoms, and have access to income and employment oppor-

²⁷UNDP/MDP, A Basis for the report to the Governing Council (June 1991), p. 2-3.

²⁸UNDP, UNDP Management Development Programme (1990).

²⁹UNDP/MDP, A Basis for the report to the Governing Council (June 1991), p. 14.

tunities, education and health, and a clean and safe physical environment. Development must also be more democratic and participatory.

73. UNDP, while recognising that human development requires economic growth, argues that growth is not enough. High growth rates do not automatically translate into higher levels of human development. Firm policy action is required to forge a closer link between economic growth and human development.³⁰

74. While private spending on human development is quite important in both developing and industrial countries, for UNDP the public sector "plays a critical, complementary role, specially where incomes are low and basic human needs would otherwise remain unmet. But public action in support of human development can take several forms. It can be policy action aimed at activating private initiative, provision of public finance to subsidise privately run services, or provision of public finance for publicly run programmes. Whatever the approach or mix of strategies adopted past development experience shows that markets alone cannot ensure good human development; and neither can overextended public sector spending because it is not sustainable."³¹

75. The 1990 Report established that the developing countries have the resources to meet many of their development goals. The 1991 Report examines the availability of financial resources for implementing human goals. It concludes that lack of political commitment, rather than lack of financial resources is usually the real cause of human neglect. "There are far too many examples of wasted resources and wasted opportunities: rising military expenditures, inefficient public enterprises, numerous prestige projects, growing capital flight and extensive corruption."³² Most budgets, the Report argues, can accommodate additional expenditure for human development if priorities are recast.³³

³⁰UNDP, Human Development Report 1991 (New York; Oxford University Press, 1991), p. 1.

³¹(UNDP, Human Development Report 1991, p. 4-5.

³²UNDP, Human Development Report 1991, p. iii-iv.

³³"Nearly \$50 billion a year - about 2% of the GNP of the developing countries - could be released for more productive purposes. Much of this could come from freezing military expenditure, which absorbs 5.5% of the GNP of the developing world." Added savings could come from halting capital flight, combating corruption, reforming public enterprises, reducing internal policing, and restructuring of external debts. In addition, developing country governments could take steps to ease their internal debt burden. (UNDP, Human Development Report 1991, p. 5)

The Report identifies a wide scope for restructuring public sector budgets, and a political strategy to engineer such changes.

76. Aid programmes, the Report contends, also need to be restructured. The Development Assistance Committee (DAC) "could become the focal point for restructuring aid budgets. Its Secretariat could contribute much by thoroughly analysing the impact of existing aid priorities on the human development levels of recipient countries. It could also help by publishing regularly the aid social allocation ratio, as well as the aid social priority ratio, for each donor."³⁴

77. In future Human Development Report UNDP's "aim will be to refine further the concepts and the methods of measurement - and to distil more practical experience from many countries." UNDP also plans "to do more research and analysis on participatory development and to examine the global dimensions of human development, looking at familiar international issues from a human perspectives."³⁵

Regional Bureau for Latin America and the Caribbean

78. The UNDP Regional Bureau for Latin America and the Caribbean (RBLAC) has been involved in governance issues for some time. RBLAC has been funding two groups in the region, the Latin American Centre of Administration for Development (CLAD), and the Regional Institute for Management Studies (both in Caracas, Venezuela). CLAD is mainly a documentation centre that serves as an umbrella organisation for 42 schools of public administration in the region. CLAD also provides support to Latin American governments in public management. The Regional Institute for Management Studies provides social policy programmes for top policy decision-makers on techniques and management in social policy, such as reform of presidential offices to public administration offices.

79. In May 1991 RBLAC, jointly with the United Nations University (UNU) and Venezuela's Presidential Commission on State Reform (COPRE), convened a meeting on "Governance: The State and Civil Society." The first dealt with an initiative to create a branch of the UNU with a specialty in state reform. (UNU is considering setting up a Centre of Governance in Barcelona, Spain.)³⁶

³⁴UNDP, Human Development Report 1991, p. 9.

³⁵UNDP, Human Development Report 1991, p. 11.

³⁶UNDP/DRPLAC, Thematic Session on Governance; The State and Civil Society (Caracas, Venezuela: May, 13-15, 1991), p. 2-3.

80. The objective of the second part of the meeting was to assist UNDP and executing organisations identify initiatives and guidelines that UNDP's Regional Programme can convert into programmes and activities for the management of change. The major themes addressed were; democratisation; decentralisation, including macroeconomic stability, privatisation and public sector management; and social policy.

81. The meeting concluded that Latin America and the Caribbean face a series of challenges; democratic consolidation; economic development; social integration; regional integration; and reinsertion into the new global economy.

82. In responding to these challenges the meeting adopted several recommendations:

- Democratic consolidation and institutional development are basic requirements to address global issues such as poverty migration, integration. Research will be required to document ongoing experiences (that forecast the challenges of the future) and disseminate the necessary information to improve state modernisation policies.
- Special attention should be given to ongoing decentralisation processes, particularly the political-institutional and fiscal aspects.
- Particular attention must be given to fiscal decentralisation. Without the transfer of resources to different levels of government, decentralisation cannot be realized and social integration will be difficult to maintain.
- Privatisation is central to decentralisation but the correct balance with public sector ownership must be achieved in order to satisfy social needs with the greatest equity.
- Macroeconomic stability underlies the success of reform policies. Support for macroeconomic studies as well as the requirement of a social pact between government and society on issues such as decentralisation, deregulation and privatisation should be fashioned.
- Regional planning as a mechanism and an agent of decentralisation must be examined.
- In order to accomplish the above, it is important to increase training in public policy management, especially in the economic and social spheres.
- Technical cooperation in public sector management should address:
 - the redesign and restructuring of the state, with emphasis on downsizing and institutional coordination.

- the rationalisation of public policy, including reorganisation of presidencies and legislatures as policy making and monitoring bodies as well as restructuring mechanisms of information and decision-making;
- the development of human resources, to motivate professionals to enter public service, to develop appropriate competitive entrance examination systems, and to train civil servants.
- Basic research on the poor and their methods of organisation and livelihood is essential.
- Priority should be given to income-generating projects. The potential for using private sector credit should be explored.
- Facilitating better communication between decision-makers and the poor is basic to the development of any programme.
- Programmes should be developed working through NGOs and informal groups to the extent possible.
- Case studies on the finance of social policy at both the national and municipal level are needed.

83. The meeting concluded that UNDP should define its agenda as broadly as possible in order to meet demands of different governments. The basic model of programming should be the following; (i) research, (ii) pilot projects/technical cooperation, (iii) evaluation and (iv) dissemination of lessons from both successes and failures. Programmes should have a scientific character, a global idea with beneficiaries consulted while defining projects, support existing institutions and not disperse efforts.

84. Specific programme initiatives relating to these issues are in the process of being formulated.

UNICEF

85. UNICEF, in response to declining social conditions in the developing countries, since the mid-1980s has had a focus on governance issues. A major concern for UNICEF was the consequences of external shocks and adjustment policies on the situation of children, such as; the decline in the physical stock of capital, slowing future growth; decline in human capital; low-income levels affecting nutritional status; price changes of essential household commodities; government

expenditure on social services; and changes in social values and social attitudes.³⁷

86. UNICEF called for "Adjustment with a Human Face," suggesting that there are alternatives and policies which can better protect the poor. The core of the concept was "the idea that the effects of adjustment policy on the most vulnerable sectors of society, particularly children, should be considered in advance, that such policies should consciously seek to improve the productivity and incomes of the poor and that subsidies and services which form the fabric of survival should be reinforced rather than discarded, and thus contribute to equitable growth. . . . if adjustment and growth is not for people, its aim is wrongly conceived."³⁸

87. The major policy recommendations of Adjustment with a Human Face are the following:

- More expansionary macro-economic policies aimed at sustaining levels of output, investment, and human need satisfaction over the adjustment period.
- The use of meso policies - within any given frame of macro policy - to reinforce the more expansionary macro approach and to secure the priority use of resources to fulfil the needs of the vulnerable.
- Sectoral policies aimed at restructuring within the productive sector to strengthen employment and income-generating activities and raise productivity in low-income activities, focusing in particular on small farmers and informal sector producers in industry and services.
- Improving the equity and efficiency of the social sector spending by restructuring public expenditure both between and within sectors (in particular away from high-cost areas and toward low-cost basic services), by improving the targeting of interventions and their cost-effectiveness.
- Compensatory programmes (often of limited duration) to protect basic health and nutrition of the low-income during adjustment before growth resumption enables them to meet their minimum needs independently. Two major elements of

³⁷Rolph van der Hoeven (UNICEF, New York), Adjustment Policies and Social Progress in the 1990s. Where do we stand? (paper read at the International Seminar on Structural Adjustment policies in the Third World, Dhakar, January 13-15, 1990), p. 2.

³⁸Rolph van der Hoeven (UNICEF, New York), Adjustment Policies . . . , p. 3.

such policies are public works employment schemes and nutrition interventions, encompassing targeted food subsidies and direct feeding for the most vulnerable.

- Monitoring of the human situation, especially of living standards, health, and nutrition of low-income groups during the adjustment process, so that needs may be identified and the effectiveness of adjustment programmes assessed and modified accordingly.
- Adjustment policies should form an integral part of a longer-term vision and development strategy and as such take into account the economic, human, sociological and ecologic fabric of the society and should be as such part of national policy formulation.³⁹

88. What has become obvious since the launching of the ideas of Adjustment with a Human Face in 1986-87, according to a recent UNICEF assessment, "is the need for 'longer time horizon', for explicit attention to the social sector and the design of compensatory programmes. Most of the recommendations of AWHF of bringing out the need for structural change, and involvement of people in the development process remain, however, now as valid as in the mid-1980s." Consequently, the feeling at UNICEF is that Adjustment with a Human Face, designed at a time when all discussion was focused on adjustment and stabilisation issues, "needs to give way to "Development with a Human Face" in order to better reflect the structural nature of the adjustment problem."⁴⁰

Organisation for Economic Cooperation and Development (OECD)

Development Assistance Committee (DAC)

89. DAC in the 1989 Chairman's Report "Development Cooperation in the 1990s" has included "participatory development" in a broad sense, including issues of governance and support for democracy and human rights, among its priority concerns.

90. DAC is in the process of collecting information on Member's policies and programmes in participatory development. DAC, because it

³⁹Rolph van der Hoeven (UNICEF, New York), Adjustment Policies . . . , p. 3-4.

⁴⁰Rolph van der Hoeven (UNICEF, New York), Adjustment Policies . . . , p. 8.

is not an operational unit, does not fund any special programmes in this field.

Development Centre (DC)

91. The OECD Development Centre focuses on several governance issues in its 1990-1992 research programme, particularly in the theme on "Governance and Entrepreneurship." The research programme is structured around three issues. The first relates to the change in attitude which has been taking place in Africa and in Latin America; the move away from ideological reasoning and the increased pragmatism that prevails in decision-making.

92. Second, as a result of developments taking place in Central and Eastern Europe there is a real danger that interest and, indeed, financial flows will be diverted away from the developing countries. This may very rapidly become an urgent issue. Third, the implications of "Europe 1992" for developing countries. Will the creation of a unified European market offer new trade opportunities to these countries or will their access to the market be reduced by the multiplication of protectionist barriers? Will the regional integration process in Europe increase or diminish investment and technology flows to developing countries?⁴¹

93. The central themes of the Centre 1990-1992 research programme are:

- Financial Policies for the Global Dissemination of Economic Growth;
- Globalisation and Regionalisation;
- Governance and Entrepreneurship;
- Coping with Environmental Threats;
- Developing Country Agriculture and International Economic Trends.

94. In the area of *Financial Policies for the Global Dissemination of Economic Growth* the Centre "will place greater emphasis than hitherto on international debt management because fresh capital flows will be limited until the problem of old debt is resolved. But it will also look beyond the debt crisis and investigate the major prerequisites for a resumption of long-term capital flows. The study of financial policies for economic growth will focus in particular on the efficiency of debt and debt-service reduction, on the enhancement of medium- and long-

⁴¹OECD Development Centre, Programme of Research 1990-1992 (Paris: November 1989), p. 9.

term private capital flows, and on improved compliance with long-term conditionality. The Centre will also examine public finance issues in developing countries, since these issues are often at the heart of their economic difficulties. Most are unable to raise sufficient tax revenue to finance the public sector and present tax systems may also adversely influence inward investment flows. In many, the tax administration is ill-equipped to operate an efficient tax system. It is in this context that developing countries are examining reforms to their own tax systems as well as the impact of recent tax reforms in the OECD area on the international allocation of capital, services and technology. As a part of this programme, the Development Centre plans to hold a symposium on tax reform in 1990 in co-operation with the Committee on Fiscal Affairs and the IMF."⁴²

95. The research on *Globalisation and Regionalisation* "will assess the implications of both economic globalisation and regionalisation for various categories of developing countries, and hence their implications for development strategies and policies. It will also examine the feedback effects on the OECD region of strategies pursued by non-member countries. It will focus on such questions as the sustainability of the East Asian growth model, as well as the lessons it holds for developing countries outside of East Asia; the implications of "Europe 1991", in terms of the creation or diversion of trade, investment and technology flows, for various categories of developing countries; the importance and feasibility of strengthened regional co-operation among developing countries as a means to enhance their participation in economic globalisation and to eke out a share of global markets; the extent of the possibilities and policy means for "latecomers" to enter world markets; and the North-South/East-West tradeoff, i.e. the implications of the growing interest in Eastern Europe for resource flows to developing countries."⁴³

96. The *Governance and Entrepreneurship* theme focuses on governance issues in relation to structural adjustment programmes, and relations between the informal sector and public authorities and political power. More specifically, the focus is on; (1) the organisation of political power within countries; (2) legal and regulatory frameworks under which the private sector can operate; (3) the quality and comprehensiveness of the public administration responsible for policies, programmes, laws and regulations; and (4) the effectiveness of public sector enterprises.

⁴²OECD Development Centre, Programme of Research 1990-1992, p. 9-10.

⁴³OECD Development Centre, Programme of Research 1990-1992, p. 10-11.

97. The Centre already has done considerable work on the social consequences of structural adjustment. The focus now is on effective approaches with less adverse impacts on the poorest. There are five specific points that are subject to analysis and investigation;

- influential groups militating against or supporting the adjustment programmes: media, unions, universities, churches (arguments being advanced, diffusion of media, underlying interests of socio-economic groups, impact of the influences);
- movements of opinion and disputes (strikes, disturbances): source of movements (adjustment measures, media), forms of dispute, impact of movements on the application (and modification) of adjustment programmes;
- socio-political balance and feasibility of programmes;
- the administrative feasibility of the programmes; the application of adjustment programmes and the implementation of compensatory measures for the poorest groups; institutional and juridical reforms required to strengthen administrative capacity, as well as the possible role of technical assistance;
- political conditions required for sustained growth, once adjustment has been achieved, including reform of the tax system, public sector wage policy adapted to the labour market, and more rational and less ambitious public investment policy.

98. This research also focuses on "the reasons which encourage people to develop activities in the informal sector: for example, administrative constraints on the legal practice of certain professions, fiscal constraints, employment regulation. . . . measures to integrate, or re-integrate, these people in the formal sector. [Because] to the extent that their choice is most often rational, it will not be possible to integrate them without important changes in economic incentives, taxation, regulations and/or administrative practices. What changes are needed and how to implement them will be explored through country case studies."⁴⁴

99. The Centre's objective with the *Coping with Environmental Threats* theme is "to contribute to improving national environmental management systems . . . with research on a range of topics such as the relevance of the developed country experience, the design of standards as the basis for environmental regulation, the use of economic instruments, the selection criteria for choosing among

⁴⁴OECD Development Centre, Programme of Research 1990-1992, p. 40.

priorities, and the role of environmental awareness and education. As part of a broader OECD effort, the Centre will also co-operate in research on both the North-South and East-West issues in the transfer of "clean" technology."⁴⁵

100. In the area of *Developing Country Agriculture and International Economic Trends* the Centre aims "to identify both likely global scenarios arising from international factors and the macro-economic and other interventions which will enhance competitive advantages and ensure sustainable development for developing country agriculture."⁴⁶

101. Looking ahead to challenges that will face the developing countries in the mid-1990s the Development Centre in its 1993-1995 research programme proposes to focus "on three of these challenges, in the hope that better understanding could be helpful in realising a significant improvement in the policy outlook for these countries rather than a deteriorating in their situation." The three challenges are; (1) the challenge of national growth in the 1990s; (2) the challenge of global dualism (of the "fast track" economies of the OECD countries and in Asia, and the "slow track" economies of the least developed, low-income countries); and (3) the challenge of creating opportunities for the poor.

102. To gain a better understanding about these three dimensions and the policies needed to deal with them Centre plans to focus on three questions:

- How can developing countries bolster their economic growth in the 1990s so that a greater number of them can join those on the fast track and the mainstream of world development?
- How can strategies and policies in international economic relations help to reverse the trend towards growing dualism in the world economy?
- How can the persistent problem of internal dualism within developing countries - with its damaging effects on the human condition, economic growth potential and natural resource use - be addressed?⁴⁷

⁴⁵OECD Development Centre, Programme of Research 1990-1992, p. 12-13.

⁴⁶OECD Development Centre, Programme of Research 1990-1992, p. 13.

⁴⁷Organisation for Economic and Co-operation and Development, Development Centre, Challenges for the mid-1990s. First Ideas for the (continued...)

Global Coalition for Africa (GCA)

103. The Global Coalition for Africa at its Advisory Committee Meeting in September 1991 decided to establish a special GCA Sub-Committee on Governance and Democracy. GCA is an advisory group set by the World Bank after a meeting a year ago in Maastricht. (It is co-chaired by the former president of the World Bank, Robert McNamara, the President of Botswana, Quett Masir, and the Development Minister of the Netherlands, Jan Pronk). The Coalition is a high level political forum to monitor the implementation of UN initiatives in Africa. GCA is designed as a informal consensus building mechanism to work within existing institutions and initiatives. GCA Advisory Committee members as expected to change policies and take decisions and action in their respective agencies.

104. GCA is seen by its members as a particularly unique forum to further consensus building on governance and democracy. The following point and recommendations on the issues were raised at the September meeting;

- Although there is universal agreement on basic democratic principles and values, actual democratic institutions in Africa should grow from within Africa to reflect cultural background and traditions.
- There is dramatic change sweeping Africa and democracy should not be perceived as being imposed from the outside world. Africa should not be lectured on the principles of good governance. What is required is to help Africa's democratic institutions to grow.
- It is not sufficient to address the issues of governance just in terms of the agreed principles, i.e., accountability, openness, transparency, rule of law, etc., but it is also very important that governance include the development of the capacity of citizens to communicate and act responsibly. In this connection the need to inform and train people was very important.
- Good governance at the national level in Africa must also be supported by good global governance. Accountability, transparency and the rule of law must govern international transactions, including the establishment of appropriate measures and control for business practices and greater progress in untying aid.

⁴⁷(...continued)

Development Centre's Research Programme for 1993-1995 (Paris: June 6, 1991).

- The private sector in Africa can play an important role in advancing the process of good governance and its development should be emphasized as an important element of pluralism.
- Disarmament, Democracy and Development (DDD) were highlighted as a convergence of issues that should be seriously considered in any future GCA work.

105. Other GCA focal points include; regional economic integration and cooperation; population growth, agricultural development and environment; and monitoring resource flows to Africa. The next GCA Advisory Committee meeting is planned for May 25-26, 1992 in Kampala, Uganda.⁴⁸

Organisation of American States (OAS)

106. In 1990 the OAS set up a Unit for Democratic Development. The objective is to support democratic processes and efforts towards integrated development of the countries of the region. The Unit is to provide a programme of support that can respond promptly and effectively to member states that request advice or assistance to preserve or strengthen their political institutions and democratic procedures.

107. The OAS in the process of determining the types of assistance or services the Unit might provide. Under consideration are services such as: (a) facilitating the exchange of information and expertise by means of seminars and training programmes; (b) developing an inventory of individuals and institutions specialising in political studies on democratic systems and institutions; (c) the development of standards and procedures for organizing electoral observer missions; (d) coordination with other multilateral organisations concerned with these matters; and, (e) encouraging dialogue on democratic principles and values within the hemisphere.⁴⁹

108. In 1991 at the annual OAS General Assembly meeting a Partnership for Development and Democracy (PDD) in the Central American region was established. Within the context of PDD the OAS will focus on democracy and the Inter-American Development Bank on

⁴⁸Global Coalition for Africa, Advisory Committee Meeting, September 9-10, 1991, Co-Chairmens' Report (GCA/ACJ/CR1/9/10/91)

⁴⁹OAS, Unit for Democratic Development (Resolution adopted at the eighth plenary session, held on June 8, 1990) (OAS, AG/RES. 1063 (XX-0/90)).

economic development. The programme is still in the conceptual state. The next PDD meeting was planned for Ottawa in October 1991.

Economic Commission for Africa (ECA)

109. While the Economic Commission for Africa (ECA) is not a donor organisation, it does act as a catalyst in aiding the States of the Africa region to achieve whatever short and long term objectives they define for themselves in their struggle for development. It operates on a budget that is allocated biennially by the General Assembly of the United Nations. This budget may be supplemented by extra budgetary resources obtained from various bilateral and multilateral donors, which are used to finance specific projects of an operational nature.

110. In the field of governance/democratisation, ECA has been particularly active in assisting governments to incorporate popular participation in their decision making, and to strengthen their administrative and management skills from the point of view of accountability. A sample of the activities that the Commission has carried out in the past two years within the areas of Public Administration and Finance in Africa, and Human Resource Planning, Development and Utilisation, may serve to illustrate the point. The activities were carried out within the confines of the three mechanisms provided by the mandate of the Commission, namely organisation and/or participation of conferences, seminars and workshops; technical publications; and provision of advisory services to member States upon request. They are as follows:

Public Administration and Finance

- An international conference on popular participation in the recovery and development process in Africa was organized in Arusha, Tanzania. It was attended by governments, non-government and grassroots organisations, youth and womens' groups, trade unions, the United Nations and the international community. The conference gave rise to the *African Charter for Popular Participation in Development*, which calls for an Africa "in which democracy, accountability, economic justice and development for transformation becomes internalized and the empowerment of the people, initiative and enterprise and the democratisation of the development process are the order of the day in every country." It outlines the actions to be taken by all concerned to achieve the above objectives, and proposes mechanisms for monitoring and reporting progress.

- A report was prepared for the ECA Conference of Ministers on measures for improving the capacity of community development groups and small-scale entrepreneurs during the current period of reconstruction.
- Technical publications were prepared on:
 - public participation in development planning and management
 - restructuring public expenditure for economic recovery and transformation
 - measures for improving public financial accountability
 - reforming government budgetary structure: a review of recent developments in selected African countries
 - organisation and management of income tax departments for improved administration of taxes.
- Support was provided to several national training workshops:
 - on improvement of local services
 - on improvement in tax administration
 - on reforming of taxation systems policies and administration

Human Resource Development

- A variety of activities were carried out chiefly in form of technical publications, reports to legislative bodies and support to national workshops. The Focus was mainly on non-formal education. The activities were as follows:
 - In the education and training area, 2 recurrent publications were disseminated, namely *Non-formal Education and Development*, and *Non-formal Education and Training*.
 - A report was prepared for the Conference of African Ministers Responsible for Human Resource Planning, Development and Utilisation, on the role of the private Sector and non-governmental organisations in the financing and implementation of training programmes.
 - Assistance was given to a regional conference on non-formal education and literacy programmes and a national workshop on methods, techniques and strategies for improving capabilities for delivery of non-formal education for national development.
 - In the area of manpower and employment planning and policies, 3 technical publications were published:

- human resources development strategies for Africa's long term development requirements
- profiles in development and utilisation of human resources in Africa, and progress
- problems and prospects in planning for and utilisation of human resources in Africa.
- One report was prepared for the Conference of African Ministers Responsible for Human Resource Planning, Development and Utilisation on strategies for manpower utilisation and the unemployment crisis in Africa. Another report was similarly prepared for the Conference of Vice-chancellors, Presidents and Rectors of institutions of Higher Learning in Africa, on the need for revitalisation of institutions of higher learning for long term development.

Costs

- The execution of the above activities required about 26% of the professional resources available in the particular division that implemented them. This is estimated at about \$250,000 US.
- Another \$29,328 US was spent in travel to the national seminars referred to above and in hiring consultants where necessary.
- The international seminar on popular participation is estimated to have cost \$ 462,217.30 US.
- Altogether, therefore, activities related to governance and popular participation by the division primarily charged to carry out activities of this nature in the last two years are estimated to have cost approximately \$ 741,545.30 US.
- It must be noted, however, that while the bulk of the activities related to this issue were concentrated in the two programmes analysed above, they were not confined there. For example, activities in areas such as women in development, agriculture, integrated rural development, transport etc, that have the objective of enhancing the participation of the masses in the development process also fall into this category. The researcher may wish to investigate these areas at a later date.

Economic Commission for Latin American and the Caribbean (ECLAC)

111. ECLAC in January 1991 signed a two year technical cooperation agreement with the Government of the Netherlands, "Proposals for Policy Reforms to Increase the Effectiveness of the State in Latin America and the Caribbean," to address governance issues in the region.

112. The Project includes the preparation of proposals for alternative reforms in legislation, administrative structures and practices and policies to enable the State to implement such adjustment programmes and transformation strategies in a better fashion and with less friction. The experience to date with the preparation and the introduction of adjustment programmes and transformation strategies in the countries of Latin America and the Caribbean has shown frequent and often severe difficulties in their passing through the parliaments and in their introduction in administrative practice, with subsequent significant time loss and a decrease in effectiveness and efficiency.

113. Fiscal adjustment processes, policy reforms and reforms of the State apparatus are on-going in a number of Latin American countries. This scope of reform in different areas is varied, as are the directions and criteria for reform. Results and effectiveness of such processes have also varied from country to country.

114. The Project's main objectives are as follows:

- To promote equitable and sustainable development in the Latin America and Caribbean region through the designation and implementation of State and policy reforms.
- The identification of State policies and reforms having positive impacts on macro-economic stability, competitive production restructuring and social equity.
- The proposal of alternative reforms in legislation, administrative structures, and practices and policies to enable the State to implement adjustment programmes and transformation strategies.

115. To achieve its objectives the project is undertaking case studies following a common methodology, to analyse selected policies and reforms, in specific areas, in different countries in terms of:

- Their fiscal consequences, in regard to resources and fiscal reform requirements;

- their effectiveness in fostering each societal objective, attaining trade-offs between them and permanently resolving major disequilibria;
- the degree of socio-political conflict, in regard to the mobilisation of influential groups, movements of opinion and political forces for or against them, and the balance of divergent interest attained; and
- administrative and institutional reforms required.

116. For each case study, policies and reforms to be analysed in depth are being selected for the stock of initiatives - including both failures and successes - undertaken in the country. Thus, structural adjustment programmes, experiences of tax reform, privatisation, administrative reforms, external opening-up strategies or education reforms, will be analysed applying a common methodology that interlinks their fiscal consequences, their effectiveness and the balance of social interests involved.

117. The main output of this technical cooperation project will be the formulation of criteria with the aid of which policy makers could assess the effectiveness and feasibility of different policy reforms and programmes. Proposals for reform and programmes in different policy areas will also be formulated, and their feasibility analysed as a way of illustrating the technical consistency, the goals-related effectiveness and the socio-political requirements of such reforms and policies, since the ultimate political analysis and decision rests with national policy-makers and representative political bodies.

118. These criteria and proposals will evolve from the in-depth analysis of selected experiences in several countries of the region where policy reforms have been undertaken and present different structural situations and diverse socio-political environments.

Inter-American Development Bank (IDB)

119. The Inter-American Development Bank in the late 1980s has re-adjusted its lending policy and undertaken an organisational restructuring to respond more clearly to the needs of the Latin American and Caribbean region. Within this context IDB has adopted a governance focus.

120. In March 1989 the Bank's Board of Governors defined the challenges for the Bank in the 1990; "to help the countries of the region resume sustainable levels of economic growth, and to meet the socio-political aspirations of its people. In addition, the Bank must assume a more active role in working with its borrowing member

countries in the formulation and implementation of policies needed for the restructuring and modernisation of their economies."⁵⁰

121. The Board under the Bank's Seventh Replenishment increased the Bank's capital resources⁵¹ and decided that the Bank's programme of activities should be designed on a country-by-country basis through the process of dialogue and consultation with borrowing countries. Within this framework the Bank will focus on identifying social, structural and economic constraints of the development process, and develop and define strategies for the Bank's activities compatible with the national development programmes for each country. The Bank also will finance specific projects in the productive sectors and the physical and social infrastructure sectors.

122. Highlights of the Seventh Replenishment include:

- The introduction of sector lending into the Bank's programme. The loans are intended to help improve economic efficiency in the sector and to provide resources to make such improvements possible;⁵²
- Devoting additional staff and financial resources to environmental protection and the conservation of natural resources;
- Greater efforts to strengthen the role of women in development;
- Increased support to micro-entrepreneurs;
- Technical cooperation to support pre-investment and project cycle activities, institutional strengthening, project implementation and the new sector policies and program-

⁵⁰Inter-American Development Bank, Annual Report 1989, p. 6-7.

⁵¹Effective January 1990 the Bank's authorised capital resources were increased by \$26.5 billion, enabling the Bank to lend \$22.5 billion during the four-year period 1990-93. The Bank also received \$200 million in new contributions to the Fund for Special Operations, the Bank's concessional lending window. (Inter-American Development Bank, Annual Report 1989, p. 6)

⁵²Sector loans will account for up to 25 percent of the Bank's lending programme during the 1990-93 period. Sector loans will be co-financed with the World Bank during the first two years of the Replenishment, permitting the Bank to draw on the World Bank's longer experience in this area; as in previous replenishment 50 percent of the Bank's own resources are allocated to benefit the lower income groups. (Inter-American Development Bank, Annual Report 1989, p. 6.)

mes. Research and training programmes will be emphasized.⁵³

123. In November 1989 the Bank's Board of Executive Directors ordered an organisational restructuring to streamline the Bank. To facilitate its redefined programme activities the Bank enhanced the role of some departments, created some new units and consolidated others.

124. To prepare country-specific sector studies in support of the new sector lending operations a new Sector Lending and Policy Division was created within the Bank's Plans and Programs Department. A new Macro-Policy Division within the same Department was designed to carry out policy dialogue with borrowing countries. An Office of Strategic Planning will provide long-term perspectives to guide the Bank's future courses of action.

125. To expand its activities in areas that have been strongly affected by the economic crises of the 1980s an Education and Health Division was established. A Micro-Enterprise Division will enable the Bank to expand its support to the informal sector. A Cofinancing and Export Promotion Division is designed to mobilise additional resources for the region and stimulate export growth.

126. To combine economic integration with trade development and strengthen regional technical assistance a Regional Cooperation Subdepartment has been set up within the Bank's Economic and Social Development Department. Finally, to improve the Bank's ability to analyse the environmental impact of projects and to develop projects that are primarily environmental a special Environmental Protection Division was set up within the Project Analysis Department.⁵⁴

Asian Development Bank (ADB)

127. The Asian Development Bank is aware that current trends in development policy thinking give increasing importance to issues concerning "good governance". Related issues have been raised, for example, in the ongoing negotiations with the donor countries for the replenishment of the concessional resources of the Bank. The Bank's

⁵³The groupings and percentages are: (1) Argentina, Brazil, Mexico and Venezuela 50 percent; (2) Chile, Colombia, and Peru 60 percent; (3) The Bahamas, Barbados, Costa Rica, Jamaica Panama, Suriname, Trinidad & Tobago and Uruguay 70 percent; and (4) Bolivia, Ecuador, El Salvador, Guatemala Guyana, Haiti, Honduras, Nicaragua, Paraguay, and Dominican Republic 80 percent.(Inter-American Development Bank, Annual Report 1989, p. 6.)

⁵⁴Inter-American Development Bank, Annual Report 1989, p. 6-9.

operational response in this regard will be formulated only after these negotiations are completed.

BILATERAL AGENCIES

U.S. Agency for International Development (USAID)

128. USAID links governance with the broader issue of democratisation. Its main focus is on democratic infrastructure and democratic political culture. USAID in response to democratisation pressures in Africa, a long-standing feeling that the weakness in governance acts as a serious constraint on progress in economic development, and a growing emphasis on democratisation in U.S. foreign policy, is developing a Democracy Initiative.

129. The objective of the Initiative is to support economic development by encouraging the emergence and establishment of political systems which:

- extend the rights of citizenship and political participation throughout the population;
- respect civil and human rights;
- establish and maintain effective, responsive and public accountable government institutions; and,
- allow genuine political debate and competition, culminating in periodic free and fair elections and the continuity of civilian rule.⁵⁵

130. The Initiative proposes to focus USAID experience, skills and resources explicitly to help promote and consolidate democracy as the legitimate organising principle for political systems throughout the world and to:

- Strengthen democratic institutions; provide expanded direct support such as effective electoral bodies, informed legislation and independent judiciaries, as well as broader civic associations;
- Integrate democracy into the USAID programmes; establish the promotion of democratic institutions and processes as a strategic goal over the broad range of AID programmes;
- Reward progress in democratisation; include progress in establishing democracy as a factor in allocating USAID funds; and,
- Establish rapid-response mechanisms; seek legislative authorities to create an USAID capacity to respond quickly

⁵⁵USAID, The Democracy Initiative (December 1990), p. 2.

to democratic breakthroughs, and create new programming mechanisms to meet unanticipated needs.⁵⁶

131. The focus of the Initiative will be on countries "where there are identified needs, reasonable prospects for success and assured diplomatic support. The programme will include both a short-term component able to respond quickly to immediate needs and a longer-term component able to support the development of effective and credible institutions. The initiative will also better integrate democracy in the broad range of A.I.D. activities and reward progress in establishing democracy."⁵⁷

132. USAID already has been involved in a number of activities in support of democracy and democratic values in Latin America. They include civic education programmes, assistance in the development of independent centres of research and policy analysis, and support for organisations protecting human rights. USAID plans to expand these activities to the Middle East and Asia.

133. Additional activities under consideration include;

- Strengthen electoral processes through assistance to electoral bodies, training of election officials and financing of election observers;
- Strengthening legislatures through technical assistance on drafting legislation, using professional staff and committee systems and improving analytical and research capabilities;
- Support adherence to the rule of law through improving the administration of justice and strengthening the protection of human rights; and,
- Strengthening local and municipal government through decentralisation and devolution of power to local levels.⁵⁸
- Support the development and programmes of indigenous civic organisations which help educate people and serve as a vehicle for the people to influence their government;
- Support the use of the media to reach mass audiences to promote democratic values and practices.⁵⁹

134. Specifically, in relations to governance the focus at USAID is on accountability, especially financial accountability. Already, the Bureau for Latin America and Caribbean has undertaken a pilot regional

⁵⁶USAID, The Democracy Initiative, p. 1.

⁵⁷USAID, The Democracy Initiative, p. 2.

⁵⁸USAID, The Democracy Initiative, p. 8.

⁵⁹USAID, The Democracy Initiative, p. 7.

financial management improvement project. The African Bureau has operated a similar project in the Sahel. Additional activities under consideration in this area include;

- Preparation of country accountability assessments;
- Development of integrated financial management systems at the national level which encompass all public-sector revenues;
- Training and support for a free press willing and able to expose corruption;
- Support for an independent and assertive legal system equipped to prosecute and punish official misconduct; and,
- Organisation of regional donor working groups on improving public-sector financial management.⁶⁰

135. To promote democratic competition and assist emerging democracies in creating institutions which ensure permanent competition in the intellectual and political marketplace USAID is considering:

- Assistance to political parties in organisational development, fund raising, issue research, candidate education and campaign techniques;
- Training for news reporters in standards of journalism, management of media outlets, investigative reporting and reporter exchange with news media outlets in the United States;
- Development of indigenous think tanks as research centres for competing approaches to public policy making; and,
- Assistance to national and provincial representative bodies to assist in research staff development and training for both majority and minority parties focused to encourage informed, competing points of view on legislative issues.⁶¹

136. To strengthen civilian control over the military the following activities are under consideration;

- Help civilian scholars and policy specialists acquire credible expertise in military affairs;
- Help legislatures develop the institutional capacity to monitor and regulate effectively military systems and the role of the military in civilian affairs;

⁶⁰USAID, The Democracy Initiative, p. 8-9.

⁶¹USAID, The Democracy Initiative, p. 9-10.

- Expand activities (seminars, workshops, etc) which bring together civilian and military leaders to study and discuss civil-military relations; and,
- Include participation by civilian leaders in military training.⁶²

137. Finally, to foster national identity and overcome religious, ethnic, regional, and tribal fragmentation and other divisions USAID is looking at the following possibilities:

- Sponsor intensified research on the application of federalism to problems in specific regions and countries;
- Support the sharing of experience with federalism in some developing countries (e.g., Nigeria, Brazil) with other countries;
- Sponsor regional and subregional exchange programmes for tribal/ethnic leaders, academics and others;
- Support the use of national and regional organisations as fora for dialogue among opposing factions and perhaps even mediating disputes; and,
- Explore the interest of developing countries in the experience of U.S. organisations that represent minorities (e.g., NAACP, Hispanic groups).⁶³

138. The USAID research programmes in the area of democratisation and governance is not yet clearly defined. Emerging research themes are the linkages between; (a) democracy and economic development; (b) democracy and Human Rights; (c) democracy and governance.

139. Annual budget expenditures in the area are unclear as USAID is still in the process of programme formulation. So far, USAID has been spending less than one percent of its budget on issues of democratisation.

Australian International Development Assistance Bureau (AIDAB)

140. AIDAB does not currently fund programmes which are specifically focused on governance/democratisation. AIDAB is working toward the development of a policy statement on governance for release in the near future.

141. AIDAB is unable to provide more detailed information regarding the level of activity in the area of governance and democra-

⁶²USAID, The Democracy Initiative, p. 10.

⁶³USAID, The Democracy Initiative, p. 11.

tisation. The combination of a wide-ranging definition for "governance/democratisation" and a database in AIDAB which is not programmed to extract project level data on these topics would make the task of extracting the information quite time-consuming.

142. Many of AIDAB's bilateral projects providing technical assistance to the public sector involve elements of administrative training and the streamlining of administrative procedures. The DAC identifier "Assistance to Normal Operation of Government" shows AIDAB expended A\$2.1 million during 1990/91. This almost certainly understates the case due to relevant activities being listed under other identifiers. The identifiers only refer to the principal activity of any particular project. Determining how much assistance could be labelled under "governance" and attributing a cost to it would be involved and at best, arbitrary.

143. Similarly both urban and rural development projects contain elements of community organising and community development which would fall under the "democratisation" category. These projects would require individual examination before activities and expenditures could be aggregated. Again the DAC identifiers most likely to contain these activities, "Community Development" (A\$400,000) and "Labour and Industrial Relations" (A\$2.1 million), simultaneously understate the true picture and contain expenditures unrelated to governance/democratisation.

Danish International Development Agency (DANIDA)

144. The promotion of Human Rights has been one of the main objectives of Denmark's international aid cooperation since 1987. DANIDA's Plan of Action of 1988 explicitly mentions the furthering respect for Human Rights as one of the central principles and objectives for the Danish development assistance. DANIDA recognises the close connection between Human Rights and the democratic development process, which recently has received increasing attention in the international debate on development aid policy.

145. Danish development assistance seeks, in a variety of ways, to further the respect for Human Rights. Bilaterally Denmark has increasingly sought to engage the recipient countries in a dialogue on the importance of Human Rights and democracy, both in the development process in general and in regard to the aid policy relationship between donor and recipient Country. Denmark has made it a standard practice to raise the question of Human Rights during the Annual Aid Consultations with the main recipient countries. The aim has been to establish the basis for a more integrated dialogue on this issue, as well

as to ensure that the Danish viewpoints are known at the other side of the table.

146. Since 1987 support has been given to a wide range of aid projects that specifically aim at furthering the respect for the civil and political rights. A limited number of projects have been of a rehabilitative nature, i.e. assistance to individuals and groups that have been subject to serious Human Rights violations. An example of this is support to the private Chilean organisation, CNTRAS, which provides psychological, legal and social assistance to people who have been subject to torture.

147. The main purpose of the vast majority of the projects, however, has been to strengthen the respect for Human Rights and thus avoid violations in the first place. A large number of projects have aimed at enhancing the population's awareness of their rights, to enable them to contend their rights vis-a-vis the authorities. Typical projects within this category support training of paralegals in Namibia, implementation of legal training programmes in, for example, Tanzania and Zimbabwe, and registration and issuing of land titles to indigenous Indian communities in the Amazon area.

148. Other projects have endeavoured to enhance the awareness of Human Rights among public employees, as well as to establish the public institutions necessary for the rule of law. Denmark has provided assistance to the development of the administrative capacity of the Supreme Court and the Public Prosecutor's Office in Mozambique, and to the establishment of an ombudsman institution in Uganda. In cooperation with the Danish section of the World University Service (WUS), assistance has furthermore been rendered to improve the education of law students at the University of Maputo. A final example, assistance has been given to hold a seminar arranged by the NGO INTERIGHTS for judges from a number of African countries, on national implementation of the universal standards of Human Rights.

149. Several projects have endeavoured to further political and civil rights through support to the development of a representative democracy in countries that previously had authoritarian forms of Governments. In Nepal DANIDA is assisting the Government in preparing for democratic elections in the spring of 1991 by providing Danish experts in state and constitutional law and equipment to an election commission. In Uganda we provide financial assistance to a constitutional commission which is preparing a new democratic constitution for the country. As part of this cooperation, some of the members of the commission have paid a visit to Copenhagen to study and perhaps gain inspiration from the Danish Constitution. Further examples are the support for the holding of free elections in Namibia in late 1989 and in

Nicaragua in the beginning of 1990, as well as the transitional assistance of DKK 50 million for humanitarian efforts to the new Chilean Democracy.

150. To obtain further experiences in this area, DANIDA has recently undertaken a review of the Human Rights aspect in a wide range of ongoing and new DANIDA projects. It is an area, DANIDA feels, that gives rise to several complex questions which, evidently, must be clarified before formulation of more precise guidelines is possible. A key question is how the Human Rights aspect more generally can be integrated in the traditional main-stream aid projects; in the planning, implementation and subsequent evaluation of projects within industry, infrastructure, education, etc.

151. The question has not, until now, been the subject of much attention in the United Nations or in other international aid organisations. No broadly accepted guidelines exist from which to start. One of the few organisations that has dealt more systematically with the issue is the International Labour Organisation (ILO), which in recent years has tried to integrate the Human Rights Standards closer to its development efforts. The experiences of the ILO has served as a point of departure for DANIDA's own preliminary handling of the issue.

152. Through DANIDA's Development Research Fund, funding has been provided to several research projects on Human Rights in the developing countries - a topic to which the Research Council has given special priority in 1990.

153. No specific budget lines for Human Rights projects have been established at DANIDA. The fund for these projects have typically been taken from existing appropriations in the bilateral and multilateral area and from the research fund. Since 1987 a total of DKK 120 million has been granted to Human Rights projects (not including the transitional assistance to Chile). This amount was disbursed as follows: approximately DKK 31 million up to and including 1989, and DKK 89 million in 1990.⁶⁴

Norwegian Agency for Development Cooperation (NORAD)

154. Norway has for many years supported groups fighting for national independence, democracy and human rights. In 1990 the

⁶⁴Ministry of Foreign Affairs, Department of International Development and Cooperation, Human Rights in Danish Development Cooperation (Copenhagen: DANIDA Information Office, 1990).

Norwegian Government introduced a special allocation (NOK 60 mill, 0.8% of total aid budget) for support of emerging democracies in the developing world. In 1991 the appropriation for democratisation, development and national independence totals NOK 30 millions.

155. Programmes supported through the special fund for democratisation in 1990-1991 include;

- Democracy building in Chile (The Chilean Government), 19901 (NOK 20 million);
- Demobilisation of Contras soldiers, Nicaragua (UN Operation), 1991 (NOK 12 million);
- Demobilisation and integration in society of the Sandinista army (The Nicaraguan Government), 1991 (NOK 12 million).

156. Also under consideration for 1991 were; (1) free elections in Western Sahara (UN Operation) (NOK 2 million); (2) election observations in Zambia, Nepal, and Angola.

Swedish Agency for Research Cooperation with Developing Countries (SAREC)

157. The areas of governance and democratisation are of great interest to SAREC. Unfortunately no summary in English of the relevant activities is readily available.

158. (SAREC hoped to fax the information within two to three weeks. Unfortunately, no detailed material was available at the time of writing.)

The British Council

159. The British Council views 'governance and democratisation' as important cross-cutting issues which deserve more attention. These priorities are already reflected in the Council's country programmes in books, information and exchange of persons. Some examples of recent activities illustrate the point;

- the launch in June 1990 of a new specialist seminar, 'Towards Better Government: The Management of Administrative Reform', which attracted senior government officials from over 20 countries;
- a Local Government Training Project for Poland (financed by the British Government's Know-How Fund) to help prepare for local government elections in 1990;

- regular senior visitors' study tours to Britain to examine public administration issues, including finance and related subjects;
- the arrangement of public administration training programmes in Britain, and training projects overseas, financed by the British Government's bilateral Aid Programme.

160. Unfortunately the Council is unable to give a detailed account of expenditure for the subject because at present its monitoring systems are not designed to do so.

German Federal Ministry for Economic Cooperation

161. The Federal Ministry for Economic is quite prepared to provide information regarding the importance of governance/ democratisation for German aid cooperation. No detailed information was available at the time of writing.

Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ)

162. GTZ has some experience through its operations in all of the areas of governance as a subject of technical cooperation; for example, governance as a subject of public sector work, governance issues related to particular sectors, or governance as a cross sectoral phenomenon. No further information was available at the time of writing.

FOUNDATIONS, RESEARCH INSTITUTES, NGOS

The Ford Foundation

163. The Ford Foundation has a well established Human Rights and Governance Program. The Program has two components; human rights and social justice; and, governance and public policy. The program focus in general is on ensuring equality of opportunity and strengthening democratic processes and institutions. The objectives are to secure the basic rights of disadvantaged individuals and groups, to ensure their access to economic responsiveness of democratic governments, and to establish the legal frameworks and organisational initiatives necessary to attain these goals.

164. The objectives of the Human Rights and Social Justice component are "to secure fundamental civil and political liberties and to improve disadvantaged groups' opportunities to participate in all aspects of society. To this end, support is provided for research, education, and advocacy programmes that foster appreciation of diversity; challenge customary and legal barriers to economic, political, and social advancement; protect the exercise of civil and political rights; and promote observance of the rule of law."⁶⁵

165. The Governance and Public Policy component supports activities "to enhance pluralism and participation in society, improve the quality and responsiveness of governing institutions, and illuminate major public policy issues through independent research and analysis. Although programme goals and strategies vary across different regions and countries, common themes include strengthening democratic institutions, increasing participation by disadvantaged groups in the policy-making process, improving government performance and delivery of services, and making public policies more responsive to the needs of the poor."⁶⁶

166. The Foundation's work focuses in Latin America on "helping to sustain and deepen the commitment to democratic institutions, following the transition from military to civilian regimes. In Asia, the emphasis is on local resources management and efforts to alleviate rural poverty, frequently through "working groups," which involve cooperative efforts among government agencies, nongovernmental organisations (NGOs), and researchers. In Africa, the focus is on strengthening grass-roots NGOs as means of helping citizens participate

⁶⁵Ford Foundation, 1990 Annual Report (New York: March 1991), p. 54.

⁶⁶Ford Foundation, 1990 Annual Report, p. 66.

more actively in their governments and of encouraging governments to be more responsive to the poor." The Foundation is also pursuing several new initiatives in East/Central Europe and the Soviet Union to assist the emerging democracies. Grants emphasise constitutional reform, parliamentary institutions, and the development of the nongovernmental sector."⁶⁷

167. The Foundation has over the last twenty years has established and supported independent social science research centres in Latin American. It has funded research, policy analysis, and discussions on democratic institutions and processes throughout the region to support the transition from military rule to democratic governments in the region. In 1990 the Foundation has granted a total of \$1.5 million to four centres to ensure their institutional stability and redefine their roles to reflect the new political conditions of the 1990s.⁶⁸

168. In Africa, the Foundation is in the process of formulating a governance programme for the 1990s. Linking its work in Latin America and Africa it is supporting the Brazilian Society for Instruction in Rio de Janeiro with a grant of \$200,000 to launch a fellowship programme for Mozambican undergraduates in the social sciences and public administration. The programme is designed to strengthen social science research and public policy service and to lay the groundwork for undergraduate courses in those fields in Mozambique.

169. The Foundation has been engaged in Eastern and Southern Africa since 1986 in strengthening nongovernmental organisations and other local governance institutions. The programme was developed in an effort to counteract the overcentralisation of the state and concentration of power under systems of one-party rule. Under the programme the Foundation has been supporting community groups and nongovernmental organisations.⁶⁹

170. The governance programme goals presently pursued out of the Foundation's Nairobi and Harare offices include: 1) promoting

⁶⁷Ford Foundation, 1990 Annual Report, p. 66.

⁶⁸Recipients were the Center for Studies of the State and Society in Argentina (\$520,000); the Latin American Faculty of Social Sciences in Chile (\$700,000); the Peruvian Association for the Development of Social Science (\$168,000); and the Center for Information and Studies of Uruguay (\$100,000). (Ford Foundation; 1990 Annual Report (March 1991), p. 92-3.

⁶⁹Ford Foundation, Africa Governance Meeting (Transcript) (Sterling Forest, New York: November 12-14, 1990), p. 8.

freedom of expression and association; 2) strengthening the judiciary; 3) fostering the accountability of the executive and legislative branch of government; 4) enhancing the skills of local government officials and the capacities of local governments to document and disseminate data; and 2) strengthen the NGO sector and linkages with local government.⁷⁰

171. In 1990 the Ford Foundation granted \$10.2 out of \$32.3 million for projects in Human Rights and Social Justice, and \$4.5 out of \$29.4 million for Governance and Public Policy initiatives in developing countries.⁷¹

The National Endowment for Democracy (NED)

172. The National Endowment for Democracy is a private nonprofit organisation created in 1983 by an Act of the United States Congress. Its function is to strengthen democratic institutions around the world through nongovernmental efforts. Through its worldwide grant programme, the Endowment assists those abroad who are working for democratic goals. It seeks to bolster democratic political systems where they exist and to help democratic forces rebuild where they have been weakened by repression or exclusion from the political process. It also encourages the transition to democracy through measures that broaden confidence in the democratic process and reinforce groups committed to democratic goals.

173. The Endowment helps to strengthen such institutions as independent business organisations, free trade unions, a free press and an independent judiciary, even in countries where political democracy can only be a long-term objective. In societies where even these independent institutions are prohibited or severely restricted, the Endowment seeks to enlarge whatever possibilities exist for independent thought, expression, and cultural activity.

174. The Endowment currently is funding programmes in five substantive areas; pluralism, democratic governance and process, education, culture and communications, research, international cooperation. Specifically, the Endowment supports the following kind of activities:

- *Pluralism:* The development of strong, independent private-sector organisations, especially trade unions and business associations; support for cooperatives, civic and women's

⁷⁰Ford Foundation, Africa Governance Meeting, p. 14-5.

⁷¹Ford Foundation; 1990 Annual Report, p. 3.

organisations, and youth groups, among other organisations. Programmes in the areas of labor and business are carried out, respectively, through the Free Trade Union Institute (FTUI) and the Center for International Private Enterprise (CIPE).

- *Democratic Governance and Process:* The Endowment seeks to promote strong political parties committed to the democratic process. Programmes in this area are carried out through the National Democratic Institute for International Affairs (NDI) and the National Republican Institute for International Affairs (NIIA). The Endowment also supports programmes in election participation and administration, public policy and information, strengthening legislatures, the rule of law and administration of justice, and the military and democracy.
- *Education, Culture and Communications:* The Endowment funds programmes that nourish a strong democratic civic culture, including support for publications and other communications media and training programmes for journalists; the production and dissemination of books and other materials to strengthen popular understanding and intellectual advocacy of democracy; and programmes of democratic education.
- *Research:* A modest portion of Endowment resources is reserved for research, including studies of particular regions or countries where the Endowment has a special interest, and evaluations of previous or existing efforts to promote democracy.
- *International Cooperation:* The Endowment seeks to encourage regional and international cooperation in promoting democracy, including programmes that strengthen cohesion among democracies and enhance coordination among democratic forces.

175. In 1990 the Endowment's major focus was on Eastern Europe and the Soviet Union with US\$15 million, followed by Latin America and Caribbean with US\$12 million, Asia with \$2.1 million, and Africa with US\$1.8 million in support funds.⁷²

The Asia Foundation

176. The Asia Foundation is a private, nonprofit, grantmaking organisation with headquarters in San Francisco, 12 field offices in

⁷²National Endowment for Democracy, Annual Report 1990 (Washington: 1990).

Asia, and programmes in 28 Asian and Pacific Island nations. The Foundation supports Asian initiatives to strengthen institutions concerned with representative government, effective legal systems, human rights, market economies, and independent and responsible media. The Foundation also supports nongovernmental organisations that encourage broad participation in public life, and it promotes leadership development through internships, graduate training, and study tours. The Foundation's Center for Asia Pacific Affairs promotes U.S.-Asian dialogue on political, economic, and security issues affecting the region.

177. The Foundation's Center for Asian Pacific Affairs (CAPA) plans to make this examination of democratisation a major programmatic theme for the next three years. CAPA proposes to undertake a two-and-one-half year project to identify and address the challenges to democratisation in Asia. The project will promote policy-oriented analysis and discussion among leading scholars and practitioners. It is to give Asians an opportunity to assess and compare the challenges they face and identify strategies and policies to meet these challenges. The project also will explore challenges to politics and governance that are common to all democratic societies, whether they be established democracies like the United States or the new democracies of Asia.

178. The project is to be organised around a series of three international conferences, each involving about 40 carefully selected scholars and practitioners (such as elected officials, political and civic leaders, and journalists). The majority of the participants will be from Asia and the United States, but leading experts from Latin America, the Soviet Union, and Eastern Europe will also participate so that relevant cross-regional comparisons can be drawn.

179. The first meeting, to be held in Asia in mid-1992, will assess the challenges to institutionalising and consolidating democracy in Asia. The second meeting will be held in Asia or San Francisco in early 1993 and will examine the problems of and prospects for political liberalisation in Asia's authoritarian states.

180. The first two conferences will focus on five key factors in the process of democratisation; the structure and effectiveness of government institutions; the level and character of political and civic participation; challenges to national unity; civilian-military relations and national security; and economic conditions and policy making. The third conference draws upon the first two meetings to assess the current and future challenges to democratisation, identifies strategies to meet those challenges, and explores the relevance of the Asian experience for other countries and regions, including the United States.

181. Country-specific and comparative studies are to be prepared as background for the first two conferences. They will be

forward-looking rather than historical, and more empirical than theoretical. Additional papers are to be commissioned for the third conference. They will draw upon the earlier papers to identify needs and strategies and relate the Asian experience to other regions. The papers are expected to be published in one or more edited volumes.

182. The project is financed by The Asia Foundation and by grants from other concerned foundations and corporations. The Rockefeller Brothers Fund will provide multi-year support for the project, and Konrad Adenauer Stiftung (Germany) is sponsoring the participation of two Eastern Europeans in the core group meeting.

183. The project is expected to first focus the thinking of scholars, political leaders, and other practitioners on the considerable challenges facing democratising countries in Asia. The expectations are that this will generate new strategies and policies for managing the complex and difficult process of democratisation. Second, the project is expected to encourage additional comparative analysis of the challenges facing the world's democracies, both among Asians concerned with democratisation, and between Asians and their counterparts in other regions. Third, the project's findings are to enhance the grant-making activities of The Asia Foundation and other organisations committed to supporting greater political openness in Asia and elsewhere.⁷³

Scandinavian Institute of African Studies

184. The Scandinavian Institute of African Studies (Nordiska afrikainstitutet), founded in 1962, is a Swedish government authority. It is jointly financed by Denmark, Finland, Norway, and Sweden with some support also from Iceland. The Institute is a documentation, research and information centre for African research in the Nordic Countries. Its task is to encourage research on Africa in Nordic countries, and through seminars, lectures and publications disseminate information about Africa. The Institute cooperates through its activities with universities, research institutions, aid organisations, and individuals both in and outside the Nordic countries.

185. The Institutes runs a programme, The Political and Social Context of Structural Adjustment in Sub-Saharan Africa, that focuses on governance issues. The programme is jointly financed by the Nordic countries. It runs from October 1990 to September 1993. The programme is seeking to promote research by African and Nordic scholars working or seeking to work on adjustment-related issues. The programme involves a small budget for directly promoted research and for

⁷³The Asia Foundation, 1990 Annual Report (San Francisco: 1990).

publicising research findings through workshops, publications and similar means. It may be selectively supplemented by successful applications for funding to Nordic research organisations either by African scholars via the programme coordinator or for joint projects between Nordic scholars and the programme coordinator.

186. The programme focuses on the sectoral impact of structural adjustment as well as its social and political context and effects. It promotes investigation of the social and political constraints under which adjustment programmes have been adopted as well as of the impact of adjustment-based reforms on a broad range of economic, social and political institutions, relations and processes. Particular attention will be paid to the countries of eastern and southern Africa. It is also proposed to examine the evolution of adjustment packages themselves, and to investigate alternatives to them.

187. So far, a joint symposium with UNRISD and Christian Michelsen Institutt (Bergen) was held in October 1990 on the Social and Political Context of Adjustment. In April 1991 a symposium was to be held in Uppsala on "Adjustment Models and Politics". In the first phase of the programme African and/or Nordic scholars have been identified with interests in the following project areas.

188. Adjustment and the agricultural sector: Funding has been obtained for a desk study by Nordic researchers which will involve a systematic literature review of six sub-Saharan African countries. Researchers have been identified in Kenya and in Tanzania with interests in peasant responses to agricultural reforms with specific reference to investment in cash crops and to the emergence of new forms of social and political organisations in the countryside and proposals are currently under development.

189. Mining and adjustment: A research proposal has been developed with the Raw Materials Group (Stockholm) to investigate changing patterns of foreign direct investment in non-fuel minerals in sub-Saharan Africa in the context of the introduction of new investment codes.

190. Women in the urban informal sector under adjustment: Researchers have been identified in Kenya and Zimbabwe with interests in the impact of macro demand compression measures and micro level "enabling" reforms on livelihood strategies of female informal sector workers. Proposals are currently under development.

191. Adjustment and the social sector: Researchers have been identified in Kenya, Tanzania and Zimbabwe with interests in the impact of adjustment on the health and education sectors, with specific

reference to institutional changes. Proposals are currently under development.

192. NGOs in the era of adjustment: Researchers have been identified in Tanzania and Kenya with interests in the processes of proliferation and differentiation of African NGOs, and changing NGO-state relations under adjustment. Proposals are currently under development.

193. Besides these areas of interest the programme embraces work on the politics of adjustment and on the topic of "Adjustment, Poverty and Population" (links are being developed for joint activity with Lund University's Programme on population and Adjustment). For the longer term it intends to promote work on alternatives to adjustment.⁷⁴

Friedrich-Ebert-Stiftung

194. The Friedrich Ebert Stiftung, a foundation with close ties to the German Social Democratic Party (SPD), has a long history of focusing on governance and democratisation. In response to changing conditions in Eastern Europe and the developing world the Stiftung in 1990 consolidated its international development work in a newly formed International Development Cooperation Department. Traditionally, the Stiftung works through and supports local organisations, particularly trade union movements. The Stiftung's main focus is on developing and strengthening trade, small business, cooperatives, and self help groups within the context of the social market economy.

195. More specifically, the Stiftung's focus in Africa has been: development of democratic social and political structures and broad participation in decision-making; economic and social policy advice in response to structural adjustment; peace in the region; ecological problems; and North-South dialogue especially regarding the consequence for Africa of Europe 1992.

196. In Asia the Stiftung has been involved in: municipal development (Thailand); social policy development (Malaysia); Human Rights issues in Myanmar; and establishing social market economy (Vietnam). In Latin America the focal point has been; economic and social policy development; stabilisation of democracy; courses for upper management public servants (Caracas, Venezuela); decentralisation of state power and administration down to the municipal level to ensure

⁷⁴The Scandinavian Institute of African Studies, Annual Report 1989/90 (Uppsala: 1990).

greater participation in decision making; support for the Association of Municipalities in Columbia; and advice to the President of Columbia regarding the financing of revenue generating at the municipal level.

197. The counterparts to the Friedrich Ebert Stiftung, the Konrad Adenauer Stiftung (closely aligned with the conservative CDU), the Hanns Seidel Stiftung (linked to the conservative Bavarian based CSU), and the Friedrich Nauman Stiftung (affiliated with the liberal FDP) are engaged in similar work in developing countries, except perhaps on a slightly different end of the political spectrum.

Advisory Council for Social Science Research in Developing Countries (RAWOO)

198. RAWOO has recently decided to start with preparations for an advisory report on 'Development, Governance and Society'. Like IDRC, RAWOO is in the process of beginning to understand the research areas on governance and democratisation.

199. (RAWOO is keenly interested in the progress IDRC will make on drafting the report, in particular with regards to information on initiatives and research activities in developing countries, more specifically in Sub-Saharan Africa.)

ANNEX A: Interviews

Tonette Bond Ing, President, The Delphi International Group (Washington)

Christina M. Cerna, Inter-American Commission on Human Rights, Organization of American States (Washington)

Juan Carlos Torchia Estrata, Acting Executive Secretary for Education, Science and Culture, Organization of American State (Washington)

Shepard L. Forman, Director, Human Rights and Governance Program, The Ford Foundation (New York)

John D. Gerhart, Director, Africa and Middle East Programs, The Ford Foundation (New York)

Dr. Peter Gey, Industrial Countries Department, Eastern Europe Division, Friedrich-Ebert-Stiftung (Bonn, Germany)

William Hammink, Democracy/Governance Task Force, Africa Bureau, U.S. Agency for International Development (Washington)

Travis Horel, USAID Democracy Coordinator, U.S. Agency for International Development (Washington)

Dr. Joan Iraneta, Organization of American State (Washington)

Inge Kaul, Chief, Human Development Report Office, United Nations Development Programme (New York)

K. Sarwar Lateef, Chief, International Economic Relations Policy, Research and External Relations, The World Bank (Washington)

Robert J. Ledogar, Senior Planning Officer, United Nations Children's Fund (New York)

Geraldine P. Mannon, Program Officer, Carnegie Corporation of New York (New York)

Saras Mennon, Human Development Report Office, United Nations Development Programme (New York)

William N. Raiford, Regional Bureau of Latin America and Caribbean, United Nations Development Programme (New York)

Dr. Francisco Sagasti, Chief, Strategic Planning Division, The World Bank (Washington)

Jorge Sapoznikow, Chief, Programs Division I, Plans and Programs Department, Inter-American Development Bank, Washington

Michael L. O. Stevens, Senior Economist, Public Sector Management and Private Sector Development Division, The World Bank (Washington)

Lewis Townsend, Deputy Executive Director, Pan American Development Foundation (Washington)

Dr. Klaus-Peter Treydte, Head, Western Industrial Countries Division, Industrial Countries Department, Friedrich-Ebert-Stiftung (Bonn, Germany)

Clay G. Westcott, Principal Advisor, Management Development Programme, Bureau for Programme Policy and Evaluation, United Nations Development Programme (New York)

Anne M. Williams, Senior Advisor, Democracy/Governance, U.S. Agency for International Development (Washington)

Hugo de Zela, Chief of Staff of the General Secretary, Organization of American State (Washington)

ANNEX B: Correspondence

Advisory Council for Social Science Research in Developing Countries,
RAWOO (The Hague, Netherlands)

Asia Foundation (San Francisco, USA)

Asian Development Bank (Manila, Philippines)

Australian International Development Assistance Bureau (Canberra,
Australia)

British Council (London, United Kingdom)

Carter Center of Emory University (Atlanta, USA)

Commonwealth Development Corporation (London, United Kingdom)

Commonwealth Secretariat (London, United Kingdom)

Dag Hammarskjöld Foundation (Uppsala, Sweden)

Danish International Development Agency (DANIDA) (Copenhagen,
Denmark)

Deutsche Gesellschaft für Technische Zusammenarbeit, GTZ (Eschborn,
Germany)

DEVCO State Agencies Development Co-operation Organisation (Dublin,
Ireland)

Economic and Social Commission for Asia and the Pacific (Bangkok,
Thailand)

Economic Commission for Latin American and the Caribbean (Santiago,
Chile)

Economic Commission for Africa (Addis Ababa, Ethiopia)

European Commission of Human Rights (Strasbourg, France)

Food and Agricultural Organization of the United Nations (Rome, Italy)

Foundation for Advanced Studies on International Development (Tokyo,
Japan)

Friedrich-Ebert-Stiftung (Bonn, Germany)
 German Federal Ministry for Economic Cooperation (Bonn, Germany)
 Hanns-Seidel-Stiftung (München, Germany)
 International African Institute (London, United Kingdom)
 International Development Law Institute (Rome, Italy)
 International Monetary Fund (Washington, D.C., USA)
 Ministere des Affaires Etrangeres, du Commerce Exterieur et de la
 Cooperation au Developpement (Brussels, Belgian)
 National Endowment for Democracy (Washington, D.C., USA)
 Norwegian Agency for Development Cooperation (Oslo, Norway)
 OPEC Fund for International Development (Vienna, Austria)
 Organisation for Economic Cooperation and Development, Development
 Centre (Paris, France)
 Organisation for Economic Cooperation and Development, Development
 Assistance Committee (Paris, France)
 Overseas Economic Cooperation Fund (Tokyo, Japan)
 Pan African Institute for Development (Kabwe, Zambia)
 Pan African Institute for Development (Geneva, Switzerland)
 Rockefeller Brothers Fund (New York, USA)
 Royal Tropical Institute (Amsterdam, Netherlands)
 Scandinavian Institute of African Studies (Uppsala, Sweden)
 Swedish Agency for Research Cooperation with Developing Countries,
 SAREC (Stockholm, Sweden)
 Toyota Foundation (Tokyo, Japan)
 Volkswagen-Stiftung (Hannover, Germany)

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