1. Introduction

[1]   The importance of political governance for development outcomes has been increasingly recognised in recent years. This has led Australia and the international community to focus more clearly on the impact of power relationships and politics on development. For the purposes of this report, the term 'political governance' refers to the way in which political power or authority is acquired, distributed and exercised, and through which processes and institutions this takes place.

[2]   Because the quality of political governance has a crucial impact on development outcomes and hence on the effectiveness of international development assistance (hereafter 'aid' or 'development assistance' or 'assistance' or 'ODA'), future aid from Australia for political governance strengthening requires clear articulation of principles to inform strategic choices and to ensure consistency with broader policy. To meet this need, the Parliamentary Secretary for International Development Assistance commissioned an independent review of Australian aid program support for strengthening political governance in developing countries ('the review') to guide future engagement and funding within the Australian international development assistance program.

Terms of Reference

[3]   The full Terms of Reference for the review are at Attachment A.

[4]   The review report (the 'report') identifies some guiding principles to inform the development by AusAID of a strategic framework for political governance aid. In accordance with the Terms of Reference, the review focuses primarily on the political institutions and processes of the state, namely parliaments, parliamentarians, political parties, and electoral systems and processes.

[5]   A Review Team comprising the Hon Michael Beahan (President of the Senate, 1994–96, Senator for Western Australia, 1987–96), the Hon Neil Andrew AO (Speaker of the House of Representatives, 1998–2004, Member for Wakefield, 1983–2004), Vicki Bourne (Senator for New South Wales, 1990–2002), and Peter Callan (Assistant Director General, AusAID) was selected. Brief biographical details of the Review Team are at Attachment B.

[6]   The report provides:
* background on the broad context in which Australia's political governance aid is set, on AusAID's general approach to political governance aid, and on the main components of political governance (Chapter 2)
* brief consideration of a range of relevant national and international bodies, with observations on the utility of some of them to Australia's aid program and some recommendations on follow-up (Chapter 3)
* an assessment of the role, mandate and work of CDI, including recommendations relating to its future role (Chapter 4)
* outline of key findings, issues and recommendations relating to Australia's political governance aid, including some guiding principles to inform development of an AusAID strategic framework; and some recommendations relating specifically to aid for parliaments, political parties and electoral support (Chapter 5).
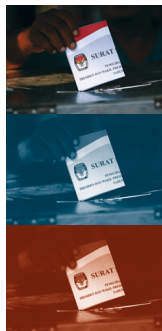
Methodology

[7]   The process followed by the Review Team involved:

- an initial desk review of all current AusAID activities in the area of political governance
- a comprehensive review of selected materials and research conducted in this area, including research specifically commissioned for the review
- an examination of selected agencies and organisations working in political governance
- consultations through meetings, teleconferences, videoconferences and interviews in Canberra and selected state capitals
- consultations in Dili, Timor-Leste, and Port Moresby and Alatau, PNG
- seeking written submissions from relevant organisations (summarised in Attachment C) invited through a questionnaire (Attachment D).

[8]   The team consulted a wide range of stakeholders (Attachment E) covering domestic and international practitioners and experts in Australia and overseas, for example:

- AusAID, DFAT and the AEC
- Commonwealth and State parliaments in Victoria, New South Wales, South Australia and the ACT Legislative Assembly
- academic institutions and development agencies in Australia
- international and multilateral agencies, and Non-Government Organisations (NGOs) overseas.

2. Background

Context

[9]   The context surrounding Australia's political governance aid is dynamic, diverse and demanding. In the Asia-Pacific region, strong or strengthening political governance has helped to produce sustained economic growth and poverty reduction in several countries with differing political systems. In other countries and parts of the world, weak political governance has contributed to economic underperformance, instability, vulnerability and, in extreme cases, internal conflict.

[10]   The main lesson from this experience over the past 50 years is the enormous value for development (and broader) goals of strong, ethical leadership and decision making; of effective political institutions and processes; of a capable, dedicated public service; of robust, independent media; and of broad public participation in the political process and the economy. These factors are particularly important when countries, and the world as a whole, face unprecedented challenges such as the 2009 global economic crisis.

[11]   The environments for political governance aid vary across countries and change over time. In broad terms, at any one point these environments can be *favourable*, *neutral* or *unfavourable* to political governance aid, both generally and specifically from Australia; and they can change quickly, creating opportunities and throwing up unexpected barriers.

[12]   It should not be assumed that the Australian model of political governance, deriving from domestic experience and traditions, will be understood, shared or desired by governments and nations around the Asia-Pacific region. Nor should it be assumed that the weight which Australia might attach to strong political governance is shared by partner governments. *Political governance aid* skates close to the limit of what many sovereign governments in the region would regard as acceptable external intervention, and sometimes goes beyond it.

[13]   A major dilemma for Australia in the Asia-Pacific region is what to do when the environment for political governance strengthening is *unfavourable* in a country where Australia is a leading donor and sees a compelling case for strengthening political governance. It is here that the returns from successful political governance interventions are greatest, but where the framing of policies and strategies is most difficult.

[14]   To complicate matters further, there are at least as many views in Australia and internationally about how to strengthen political governance as there are institutions or organisations with an interest in the topic.

[15]   In addition to AusAID, several organisations in Australia—the federal and state/territory parliaments, the main political parties, CDI, the AEC (to name but a few)—are active in political governance strengthening overseas. Some of their programs are funded by AusAID, while others are not but may be classified as ODA. These efforts, and the approaches which underlie them, must be taken into account in the framework used by AusAID to guide Australia's political governance aid.

[16]   Similarly, the work and approaches of various donors and international organisations need to be factored into AusAID's thinking and actions.

[17] Coordinating Australia's national efforts, harmonising with the efforts of other donors, aligning programs with partner government priorities, and using local systems and capabilities form part of the overall direction in which Australia wishes to move on aid. The degree to which this can be achieved in Australia's political governance aid needs to be carefully assessed when framing policy and interventions.

Overview of AusAID approaches

[18] Australia's political governance activities involve a range of partnerships with local, regional and multilateral organisations, as well as with other Australian Government agencies with particular expertise. However, the key entry point for Australian political governance activities is through bilateral country programs.

[19] The aim of Australia's political governance activities is to promote decision-making processes that help reduce poverty and address the needs of all citizens. Strengthening democratic processes also remains a central part of Australia's political governance activities, although democracy promotion in its own right is not an objective of Australian development assistance. A summary of current AusAID political governance activities is at Attachment F.

[20] Current Australian assistance on political governance can be categorised into three broad streams:

- Strengthening formal political institutions and processes, including electoral systems, parliaments, political parties and accountability institutions.
- Building more effective relations between governments and communities, including the role of Civil Society Organisations (CSOs) and the media in promoting government accountability and responsiveness.
- Developing leadership, including promoting capable and ethical leadership, reconciling traditional and formal modes of leadership and developing women's leadership.

[21] These three streams are interrelated: for example, strengthening formal political institutions is related to the role played by civil society and depends on a capable and ethical leadership.

[22] The pattern of Australia's political governance assistance is changing. While strengthening formal institutions and processes remains important, the emphasis on other critical drivers, including civil society and leaders, is growing.

[23] Political governance is seen by AusAID as a key factor in the achievement of development outcomes, such as the MDGs, in all countries. The quality and availability of public services, the climate for economic growth, and the management of natural resources are all strongly influenced by political decisions and how they are made. In general terms, responsive and accountable political systems lead to better development outcomes in the long term because they encourage alignment between the interests of citizens and the state.

[24] Recent research drawing on a variety of empirical data shows that a more open political system is not only pro-poor in terms of increasing income, but also in terms of reducing the poverty headcount.[1] Specifically, improvements in voice and

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1   Resnick, Danielle and Regina Birner (2006) Does Good Governance Contribute to Pro-Poor Growth?: A Review of the Evidence from Cross-Country Studies. Washington DC, *International Food Policy Research Institute*. p. 24.

accountability, and in the Civil Liberties Index[2] have been found to have a significant correlation with aspects of poverty reduction such as reducing the size of a population below the poverty line, an increase in incomes of the poorest 20 per cent of a population, and improvements in the Human Poverty Index.[3] Development is not just about growth of income or Gross Domestic Product—important though this is—but also about social needs, including the ability of citizens to participate in the decision making that affects their lives. Accordingly, it has been argued that the quality of development is related to the quality of democracy.[4]

Classification of components

[25] In accordance with the Terms of Reference the key areas of focus of this review are:

(a) parliamentary support (to parliamentarians and the Parliament)

(b) political party support

(c) electoral support.

Parliamentary support

[26] As an institution, the Parliament is often the main intermediary between the state and its citizens. Parliamentary strengthening is becoming an increasingly important part of more general work to improve governance. This in large part recognises that parliaments, and parliamentarians, mediate the supply of, and demand for, governance. For example, through their legislative function they affect the supply side; through their oversight, representative and accountability work they contribute to the demand side.

[27] Parliamentary strengthening programs typically emphasise training for parliamentarians and their staff through courses, seminars, workshops or conferences. Empowering parliaments to exercise oversight of government is often a major objective.[5]

[28] The rationale behind efforts to strengthen parliaments comes from the impact of power relationships and politics on development. There is a significant correlation between transparent and strong democratic parliaments, tangible benefits to citizens and the effective exercise of power, leading to the delivery of outcomes that reduce poverty and address the needs of all citizens.

[29] In providing support to parliaments and parliamentarians, organisations and donors have adopted varied approaches:

- some donor agencies (e.g., the United States Agency for International Development (USAID)) focus on developing the *legislative functions* of parliaments and the oversight capacity of parliaments

- others (e.g., the United Kingdom's Department for International Development (DFID)) help to develop the *administrative capacity* of parliaments

- others again (e.g., the Swedish International Development Agency (SIDA)) approach this from the perspective of strengthening the rule of law and promoting positive *legal reform*

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2   The Civil Liberties Index, compiled and published by Freedom House, measures countries based on the extent of the freedom of expression, assembly, association, education, and religion in each country.

3   ibid. p. 30. The Human Poverty Index is the UN's measurement of a country's standard of living

4   Bhagwati, Jagdish (2002) 'Democracy and Development: Cruel Dilemma or Symbiotic Relationship', *Review of Development Economics* 6(2): 151-162, at pp. 156–157.

5   Governance and Social Development Resource Centre (2008) Help Desk Research Report: *Mapping donor activity on parliamentary strengthening and electoral support.*
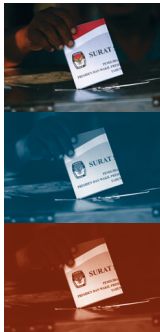
- most organisations provide *technical assistance*—developing the skills of elected parliamentarians and their staff, and ensuring legitimate electoral processes
- on *democracy building,* some organisations (e.g., the Inter-Parliamentary Union (IPU) and the Commonwealth Parliamentary Association (CPA)) focus on developing parliamentary democracy, while others (such as the United Kingdom's Westminster Foundation for Democracy (WFD)) seek to develop a democratic culture not only in parliament, but also in the general public
- organisations approaching parliamentary strengthening through *education* and the *development of civil-society* often take a broad approach to democracy building, and thus use civic education and civil-society development to promote a democratic culture in society (e.g., the Norwegian Centre for Democracy Support)
- parliamentary strengthening programs increasingly focus on promoting greater involvement of *women* in the political process (e.g., International IDEA and Canada's Parliamentary Centre)
- *anti-corruption* features in many programs (e.g., the Global Organization of Parliamentarians Against Corruption (GOPAC) and the World Bank Institute (WBI)).

[30] An important donor consultation meeting on parliamentary development and financial accountability, hosted by DFID, UNDP and WBI in 2007 identified five main actions for moving forward:

- establishing an informal donor contact group on parliamentary strengthening (a donor group has since been established)
- holding regular (annual or biannual) structured consultative meetings to discuss donor approaches to parliamentary strengthening (a donor coordination meeting was held in October 2008 and subsequent annual meetings are planned)
- piloting an online 'knowledge hub' on parliamentary strengthening (UNDP is leading through its Global Programme for Parliamentary Strengthening and Australia has been asked to participate in the working group)
- developing good practice principles for donor support to parliamentary strengthening, especially in the context of direct budget support, building on the Paris Principles on development effectiveness (see Box 1) and the Organisation for Economic Co-operation and Development (OECD) – Development Assistance Committee (DAC) capacity building principles
- in the longer term, sharing results and good practice principles with GOVNET, the OECD – DAC network on governance, and encouraging GOVNET to consider parliamentary strengthening as part of its next work program.

Political party support

[31]   Political party strengthening is of growing interest to donors and NGOs and is no longer the preserve of party foundations with political ideology goals. Strengthening political parties, including opposition parties, providing opportunities for women and youth in politics, trying to provide an even playing field to foster political diversity and to reduce the advantages of incumbency are often objectives of political party support programs. Political party support is frequently most needed, but also most difficult, in fragile states.[7]

[32]   But direct support to political parties is politically sensitive because it risks breaking the principle of non-partisanship and non-intervention in sovereign and domestic affairs. Some donor countries ban donations to overseas political parties and some developing countries (e.g., Indonesia) ban their receipt. Official donors often prefer to keep this support at arm's length, using channels that are seen as neutral (such as UNDP, International IDEA, CDI) and multi-donor mechanisms.

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6   Hudson, A. and C. Wren (2007) *Parliamentary Strengthening in Developing Countries*. Final Report for DFID. Overseas Development Institute, 12 February 2007, p. 8.

7   Reilly, B. and P. Norland (2008) *Political Parties in Conflict-Prone Societies: Regulation, Engineering and Democratic Development*. United Nations University Press.
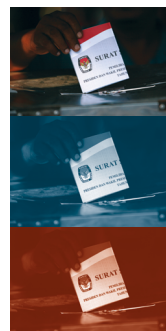
[33]   The regulation of political party financing is of growing interest, particularly given the influence of money in politics and (often) the lack of transparency in party financing.

[34]   An expert in political party support programs, Inge Amundsen[8], has noted that donor support for political parties has tended to be indirect by means of general democracy support or through party-based organisations. *Indirect support by means of democracy programs* covers:

- Assistance with *constitutional and legal framework reform* (legal reform is often required for political parties to operate effectively).
- *Electoral commission and election observation* support, which often has the indirect effect of assisting political parties to function effectively (e.g., through the production of polling material, campaigning and training of election officials).
- *Parliamentary and local government* support can facilitate political party support through the involvement of political parties in these bodies.
- *Media* regulations have an impact on how political parties function, and *CSOs* can act as advocates and critics of political parties.
- *International organisations* such as International IDEA or International Foundation for Electoral Systems (IFES) provide another mechanism to channel indirect, arm's length support.

[35]   *Indirect support via party-based organisations* (party-to-party support) comes from one party organisations (such as the German *Stiftungen*) or multi-party organisations (such as the WFD and the Netherlands Institute for Multi-Party Democracy). This support includes a focus on organisational strength (through assistance with strategic plans, party programs, training of personnel and leadership); work on internal rules and procedures (internal democracy) of political parties; policy support (to develop the capacity of political parties to exert policy influence); fundraising, accountability and reporting skills; electioneering capacity (through support for campaigning, public outreach and engagement with the media); and targeted support to specific groups (e.g., women, minorities and youth) to foster inclusion and participation.

[36]   There is still a long way to go to integrate and harmonise political party assistance with broader democracy support efforts. Also, the stock of research and analyses of party systems, party regulations and political systems, as well the capacity to do such research, is meagre. Finally, there is a need for better monitoring, quality control and evaluation of political party assistance.
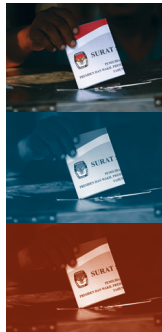
Electoral support

[37]   Electoral assistance is one of the oldest and most commonly used forms of democracy assistance.[9] It spans a broad spectrum, including: legal frameworks for election administration; inclusive electoral systems and voter registration processes; material, technical and financial support; civic and voter education; and election monitoring and observation. Support programs have traditionally focused on elections themselves, which have probably made up the most prominent sector of democracy assistance. A trend is now emerging to extend support across a broader range of activities across the entire electoral cycle, and to focus on ongoing support,

8   Amundsen, Inge (2007) Donor Support to Political Parties: Status and Principles. Chr. Michelsen Institute (CMI) Report R 2007:6, pp. 7–14.

9   Menocal, A., V. Fritz and L. Rakner (2007) *Assessing International Democracy Assistance and Lessons Learned: how can donors better support democratic processes?* Background note for Wilton Park Conference on Democracy and Development, 23–25 October 2007, p. 5.

rather than just for the event itself (the election). A key challenge is to sustain electoral support between election events.

[38]   Electoral assistance has tended to be most successful in establishing and promoting the technical aspects of elections: drafting electoral legislation and regulations; providing logistical support (ballots, ballot boxes etc.); educating voters; and setting up administrative and management institutions (electoral commissions, electoral management bodies etc.) and election observer groups. Further challenges are faced in achieving longer-term institutional and capacity development, particularly in building the capacity of electoral administrative and management structures, and translating the use of domestic election observers and civil society monitors in elections into the development of a strong civil society and broader human rights culture.[10]

[39]   Donors and organisations have adopted a range of approaches to electoral support:

- A large number of organisations provide support for *election monitoring and observation*. Among these are the Commonwealth Secretariat, African Parliamentary Union (APU), National Democratic Institute (NDI), International Republican Institute (IRI), Asia Pacific Democracy Partnership (APDP), SIDA, USAID, and IFES.
- Organisations such as IFES, *Friedrich Ebert Stiftung* (FES) and NDI take a *voter and civic education* approach to strengthening elections.
- AEC, IFES, International IDEA, DFID, SIDA, UNDP and the Electoral Institute of Southern Africa (EISA) focus on *capacity development*, through support for governments on strengthening electoral processes, the provision of training, and system strengthening.
- NDI and UNDP provide *electoral law reform* support for partner countries.

[40]   Some electoral networks have emerged to share information, coordinate activity and build capacity (see Box 2 and also paragraph 74 on the Pacific Islands, Australia and New Zealand Electoral Administrators (PIANZEA)).

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10   Governance and Social Development Resource Centre (2008) *Helpdesk Research Report: Electoral Assistance Lessons, 19 August 2008.*

Accountability processes and institutions

[41]   A number of accountability processes and institutions can provide the checks and balances within a democratic system, with the Parliament and its committee system itself being the critical focus. Such processes may include formal institutions such as the judiciary or Ombudsman and audit offices, as well as more informal social accountability through civil society's engagement with government.

Civil society

[42]   Civil society has an important role to play in participating in, and contributing to, political decision making. The forms of civil society are many and varied, from formal institutions and private sector bodies, to informal associations and networks and faith-based bodies such as churches. The ability and capacity of civil society to 'demand' better governance is integral to the delivery of better governance.

[43]   Independent access to external funding helps CSOs to sustain and develop their oversight or watchdog function on the state. Institutional innovation to enable civil society groups to work as a more effective check on government actions is also needed. This would include measures to improve the access of civil society groups to normally inaccessible formal accountability systems. Measures such as local public hearings on development spending, public interest litigation and participation in parliamentary investigations, or the right to offer information and testimony, can considerably enhance the contribution of civil society in holding public authorities to account.

Voice and media

[44]   Access to information is central to building demand for better governance. In this respect, media play a critical role in raising awareness, shaping opinions and promoting transparency and accountability. A strong and effective media can assist the accountability structures of parliaments, such as committees, to more widely

convey and sustain their scrutiny of executive government. Conversely, legal circumscription of the media through, for example, use of defamation laws, can restrict access to information, which can have a negative effect on accountability and transparency.

[45]   Research illustrates that a free and independent media working in conjunction with democratic institutions can make governments more responsive to the needs of their citizens.[11] The media can make citizens more aware of their rights and the ways they can exercise them by participating in and influencing government decisions. It can also encourage debate on existing political issues and options, so that citizens exercise their rights in an informed, responsible way.[12] In a more immediate sense, the media can help address corruption, government performance and quality of service delivery. The Review Team's consultations in PNG and Timor-Leste brought out the important role that the media play, particularly in relation to improved accountability and transparency.

Fragile states

[46]   Australia commits close to half of its country program development assistance (more than any other bilateral donor) to poorly-performing or 'fragile' states where governance is weak and the risk of conflict or political instability is high. These are states where governments consistently have difficulty delivering core functions and services to the majority of citizens. In fragile states and sub-national regions with low capacity, approaches to governance could reflect 'good enough governance' principles which address local governance challenges rather than replicating successful western models regardless of culture, capacity or context.[13] 'Good enough' does not mean settling for second best but, rather, having a practical approach to governance, which strategises and sequences work to give the best results in the circumstances. In countries emerging from conflict, close attention needs to be paid to 'do no harm' principles.

[47]   The OECD-DAC is taking forward work on conflict, stability and state-building. AusAID applies the OECD-DAC principles for good international engagement in fragile states and situations (see Box 3).

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11   Stapenhurst, Rick (2000) *The Media's Role in Curbing Corruption*, World Bank Institute: p. 2.

12   World Bank (2002) *World Development Report 2002*, World Bank, Washington: p. 182.

13   Grindle, M. (2007) 'Good Enough Governance Revisited'. *Development Policy Review* 25(5): pp. 533–574.

Anti-corruption

[48]   Elected representatives can play a vital role in combating corruption by fulfilling their function in holding the government accountable. This can be achieved, for example, through effective participation in the budgetary process, the exercise of parliamentary oversight through anti-corruption commissions, cooperation with supreme audit institutions and promotion of a media friendly environment. Just as a diverse media landscape can support parliament in its oversight role, broad coalitions between parliament and a vibrant civil society can be helpful in curbing corruption. Parliament can help to channel the interests and concerns of civil society into an open debate, the passing of legislation and the creation of political will to fight corruption.[14]

Gender equality

[49]   Gender equality means women and men have equal opportunities to realise their individual potential, to contribute to their country's economic and social development and to benefit equally from their participation in society. Gender equality is a human rights issue.

[50]   Gender equality in political governance is broader than the proportion of women in parliament. It relates to influence, engagement and participation in general. It is important that women's and children's issues and needs are considered and addressed across all spectrums.

[51]   Gender equality is an overarching principle of Australia's aid program and is integral to all Australian Government aid policies, programs and initiatives. The goal of the policy is to reduce poverty by advancing gender equality and empowering women. Australia aims to:

- improve the economic status of women
- promote equal participation of women in decision making and leadership, including in fragile states and conflict situations
- improve equitable health and education outcomes for women, men, girls and boys
- ensure that gender equality is advanced in regional cooperation efforts.

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14   Stapenhurst, R., N. Johnston, & R. Pelizzo (2006) *The Role of Parliament in Curbing Corruption*. Washington: The World Bank.

[52] Women are severely under-represented in politics[15]—17.2 per cent of national level legislatures and only 2.7 per cent in the Pacific region. Some of the main obstacles to women in politics are:

- lack of political party support

- dominance of male-oriented norms and structures

- cultural perceptions and values—prejudice

- household and familial responsibilities

- lack of financial resources

- insufficient media support

- lack of leadership training

- non-conducive electoral systems

- lack of coordination and support networks.

[53] Outside of politics women are making greater strides participating in, and serving as, leaders in civil society, including church and business. Women have also played an important role in providing leadership and peace-building in dislocated societies. These are seen as a vehicle for women's leadership and have emerged as a place for women to cultivate their political, social and personal power. Women's leadership development—focusing on communication, mobilisation, coalition building, strategic planning, advocacy and fundraising—is a growing area of support. Creating space for women's voice and gender sensitisation and consideration (including the media) are other areas of support.

[54] The Solomon Islands Women in Government Strategy is aimed at contributing directly to increasing women's participation in the government (e.g., by reducing barriers to women's participation in elections and increasing their representation at all levels of the public service). See also Box 4.

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15   Governance and Social Development Resource Centre (2008) *Help Desk Research Report: Gender equality and Parliamentary Strengthening and Electoral Support.*

Leadership and elites

[55] There is an increasing recognition that the quality of leadership in a country's government, civil society and private sector is fundamental to long-term development. Leaders with a commitment to development and the ability to initiate and implement change from within local systems are crucial to efforts to improve governance in partner countries.

[56] Australia is devoting a small but increasing share of its governance programs towards efforts to improve the capacity, and influence the attitudes, of emerging leaders in the region, reconcile traditional concepts of leadership[16] with the demands of modern governance, and promote the leadership role of women.

[57] The Pacific Leadership Program (PLP) is designed to promote more ethical and effective leadership in the Pacific (including in Timor-Leste). Through its scholarship programs, Australia aims to improve the skills and knowledge of potential leaders from partner countries. Among these programs, the Australian Leadership Awards have a particular focus on developing future and current leaders in the Asia-Pacific region.

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16 Leftwich, A. and S. Hogg (2007) 'Leaders, Elites and Coalitions: the case for leadership and the primacy of politics in building effective states, institutes and governance for economic growth and social development'. *Research Paper for Global Integrity Alliance*, November 2007.

Funding mechanisms

Thematic funds

[58] A broader focus on democratic governance (UNDP) and/or human rights (USAID, Canadian International Development Agency (CIDA), SIDA and EuropeAid) has led agencies involved to establish specific democracy or governance funds to complement country programming. Priority recipient countries are often identified. Funding is usually broken into country, regional and global components and linked to achieving development results.

[59] DFID has a Governance and Transparency Fund designed to help citizens hold their governments to account, through strengthening the wide range of groups that can empower and support them. EuropeAid has the European Instrument for Democracy and Human Rights that aims to strengthen the role of civil society in the promotion of human rights, political pluralism and democratic participation and representation. The Canadian Department of Foreign Affairs and International Trade (DFIAT) has established a Democratic Transitions Fund within the Glyn Berry Peace and Security Program to support Canada's diplomatic efforts in support of democracy.

[60] The UNDP has a Democratic Governance Thematic Trust Fund which is supported by several donor countries and provides UNDP with additional (non-core) resources to address development priorities in Democratic Governance. Apart from direct project work the fund also enables UNDP to undertake relevant training and research activities and support the Oslo Governance Centre, a UNDP global thematic facility, whose objective is to facilitate knowledge sharing and networking on democratic governance as well as to provide policy guidance and technical support to the more than 130 UNDP country offices around the world.

[61] In addition, many agencies also have civil society funds which contribute to the strengthening of civil society for greater participation, leadership and demand for accountability, reform and improved service delivery. Funds are available both for organisations from the donor country (which must work with local organisations in partner countries) and more broadly for organisations from partner countries. The scope of eligible organisations is often broad and includes trade and industry associations, religious organisations, economic consultative bodies, human rights groups, think tanks and research organisations, media organisations and professional associations. DFID has a Civil Society Challenge Fund, EuropeAid has a Non-state Actors and Local Authorities in Development thematic program, and USAID has a Global Civil Society Strengthening Partnership.

3. Organisations and networks

[62] A wide variety of organisations and networks undertake political governance work, each applying a particular focus and approach. A brief description of some of the key organisations and networks follows, in some cases with observations by the Review Team on the possible utility of the organisation or network from an Australian aid program perspective. Given the timing of the review, it was only possible to examine a selection of the key organisations undertaking work in this field. Attachment H contains comprehensive information on these (and other) organisations and networks. Attachment C summarises the responses by several of these organisations to the review questionnaire.

Bilateral donors

[63] Political and democratic governance support has become increasingly important in the aid programs of some major donors such as the United States, United Kingdom, Netherlands, Sweden, Germany and Canada. These countries have significant democratic governance programs focusing mainly on parliamentary and electoral system strengthening. Their interest in political party strengthening appears to be growing, with this support usually delivered at arm's length from government.[17] In addition, New Zealand is an important source of political governance support in the Pacific, particularly for parliamentary and election system strengthening.

> The Review Team believes that AusAID would derive further benefit (e.g., for policy development and aid effectiveness) by engaging, on a targeted basis, with key donors such as the United States, the United Kingdom Netherlands, Sweden, Germany, Canada and New Zealand on their political and/or democratic governance programs and approaches (see Recommendation 16).

Multilateral and intergovernmental organisations

[64] **International Institute for Democracy and Electoral Assistance (IDEA)** is an intergovernmental organisation which concentrates on strengthening political party and electoral systems. International IDEA is best known for its publications and other knowledge resources on democracy building but it also contributes to international policy development (for example through a range of networks) and to specific democratic reform processes. International IDEA is active in Africa and Latin America and is developing programs in the Asia-Pacific region. It works successfully with key AusAID partners on political governance, including AEC and CDI.

> The Review Team was impressed by the work of International IDEA, particularly its expertise and knowledge resources on democracy building, and its context-specific approach to assistance which encourages national and local ownership of democratic reforms. The Review Team suggests there is merit in AusAID strengthening its engagement with International IDEA, particularly as it develops its programs in the Asia-Pacific region.

[65] **United Nations Democracy Fund (UNDEF)**, formed in 2005, is a UN Trust Fund under the authority of the Secretary-General, funded through voluntary contributions from member states. UNDEF provides grants mostly to NGOs in support of projects that strengthen the voice of civil society, promote human

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17   Amundsen, Inge (2007) Donor Support to Political Parties: Status and Principles. CMI Report R:6.

rights and encourage the participation of all groups in democratic processes. By strengthening the demand for democratic governance by civil society, UNDEF complements the support given to governments on the supply side (e.g., by UNDP). Australia is a member of the Secretary-General's Advisory Board, UNDEF's main governing mechanism. UNDEF is headed by an Australian, and former Director of CDI, Roland Rich.

> The Review Team noted UNDEF's innovative role and approach, and continued Australian support for UNDEF. Recognising that UNDEF has been in existence only since 2005, the Review Team hopes that UNDEF continues to commission independent evaluations of its program and organisation (such as its recently published review, *Making Democracy Work for Women: Initial Experiences from 10 UNDEF Funded Projects*).

[66]   **United Nations Development Programme (UNDP)** is a major provider of parliamentary strengthening assistance across the developing world, including in countries of significant aid interest to Australia such as Indonesia, Timor-Leste, PNG and Solomon Islands. It is also active in strengthening electoral systems (e.g., in Indonesia and Timor-Leste). UNDP works predominantly with, and through, governments. In some cases (e.g., Indonesia and Timor-Leste) the host government asks UNDP to coordinate external support for political governance (or some aspect of it). In these cases, UNDP generally builds an overarching framework for external support (in consultation with the host government and main donors) and establishes a multi-donor funding facility. This can make UNDP an attractive channel for donors looking to harmonise and align their assistance.

> Based on its own observations in East Timor and PNG, and on other feedback received (sometimes unsolicited), the Review Team formed the view that: (a) UNDP's capacity to deliver effective parliamentary and election system assistance varies significantly from country to country; and (b) UNDP's mixed performance in delivery largely reflects the choice of the experts UNDP engages and, in fairness, sometimes the nature of the recipient country's acceptance of the need for reform. In view of this, the Review Team suggests that: (a) AusAID use its existing relationship with UNDP to improve the coordination and delivery of respective political governance programs to maximise their effectiveness (see Recommendation 17); and (b) AusAID weigh carefully the pros and cons of using UNDP for delivering political governance support at an individual country and regional level, particularly in the Pacific.

[67]   **World Bank Institute (WBI)** provides training across a broad spectrum of economic and social development issues. In relation to parliaments, WBI's main focus is improving financial accountability and oversight, which it does through workshops and seminars for parliamentarians and others involved in the political process (including civil servants). WBI offers online training in partnership with the CPA. It conducts multi-year training projects in countries which have identified parliamentary strengthening as a priority or where it forms part of a World Bank loan or International Development Agency (IDA) credit. WBI has worked collaboratively with CDI, the CPA and La Trobe University's Public Sector Governance and Accountability Research Centre (PSGARC) in delivering the PSGARC's Summer School for Parliamentary Public Accounts Committees (see paragraph 88 below).

> The Review Team expects WBI's training materials and publications— for example on improving financial accountability and oversight through
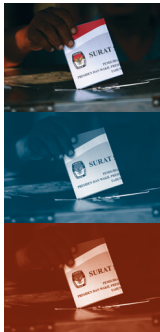
parliaments—to be useful resources for other providers of parliamentary strengthening support.

[68] **Inter-Parliamentary Union (IPU)** is the international organisation of parliaments of sovereign states. In accordance with IPU's statute, a 17-member Executive Committee oversees the administration of the IPU and provides advice to the Governing Council. The Governing Council is the plenary policy-making body of the IPU, supported by various standing committees, committees and advisory groups. The IPU seeks to foster contacts, coordination, and the exchange of experience among parliamentarians of all countries, to promote and strengthen democracy world-wide.

The Review Team noted that the Australian Branch of the IPU is attempting to achieve a stronger IPU focus on the Pacific Region by seeking IPU support to fund the participation of small countries unable to meet the costs of full participation in the IPU; and by forging stronger links between the IPU and CDI in the hope of assisting those countries in parliamentary strengthening programs.

[69] **Commonwealth Parliamentary Association (CPA)** consists of national and local parliaments and legislatures of Commonwealth countries. CPA promotes parliamentary democracy by enhancing knowledge and understanding of democratic governance and by building an informed parliamentary community. CPA organises conferences, seminars, workshops and training events and facilitates parliamentary visits for professional development purposes. CPA also publishes a range of guidelines and recommendations related to parliamentary administration and strengthening. Its Parliamentary Information and Reference Centre provides a reference and research service for staff of member parliaments.

The Review Team formed the view that in recent years the Australian Chapter of CPA has been successful in improving the relevance and effectiveness of CPA support to parliamentary strengthening in the Pacific. The Review Team commends these efforts of CPA both generally as well as through the special Education Trust Fund (for training parliamentary officials) and the innovative parliamentary twinning program between Pacific Island parliaments and Australian state/territory parliaments.

[70] **Partnership for Democratic Governance (PDG)**, housed in the OECD, is a multilateral initiative. In reality PDG works in post-conflict and fragile states with weak institutional capacity and focuses on improving their ability to deliver basic services. It does this by providing short-term technical assistance. It does not target assistance to parliament, parliamentarians, political parties or provide electoral support.

[71] **Bali Democracy Forum (BDF)** was an initiative of Indonesia's President Yudhoyono in 2007. Its objective is to foster a regionally inclusive dialogue 'about democracy not just for democracies'. BDF's first Ministerial meeting was held in Bali 10 to 11 December 2008. Australia was represented by the Prime Minister and by the Parliamentary Secretary for International Development Assistance. Other participants included India, Japan, China, the member states of the Association of Southeast Asian Nations (ASEAN) (including Burma), Bangladesh, Pakistan, New Zealand, PNG, and some Central Asian and Middle Eastern states. Several countries, including the United States, Canada and the United Kingdom, attended as observers. The meeting was particularly important as an Asian-led initiative on democracy in a region traditionally somewhat reluctant to engage in open dialogue

internationally about democracy. BDF welcomed the establishment of the Institute for Peace and Democracy (IPD) based in Bali, as a body to implement BDF's agendas and programs. At the Bali meeting Prime Minister Rudd announced an AUD 3 million package of support for IPD through a partnership between Australia's CDI and IPD to assist with start-up, complemented by short- and long-term democracy scholarships. Initially, IPD will run practical workshops within the region on selected democracy issues such as freedom of the media and electoral processes.

> The Review Team recognises the importance of BDF for building cooperation on, and understanding of, democracy and democratic processes, particularly in the Asia-Pacific region. The Review Team welcomes the active engagement of Australia in BDF, including through the aid program.

[72] **Asia Pacific Democracy Partnership (APDP)** was announced by United States President Bush at the 2007 Asia-Pacific Economic Cooperation (APEC) meeting with the aim of enhancing democracy and human rights in the region through dialogue and practical activities. Membership is limited to democracies. Although technically not yet formally constituted, APDP has sent observers (including from Australia) to observe elections in Mongolia, Bangladesh and Micronesia. Australia has not been officially made aware of the new United States administration's views on APDP.

Networks

[73] **Global Organization of Parliamentarians Against Corruption (GOPAC)** is open to current or former democratically elected members of parliament. It has 900 members from more than 90 countries. GOPAC's national and regional chapters are self-directed and self-funded. Its regional chapters cover North America, Latin America, Europe, Arab states, Africa and the Caribbean. GOPAC places emphasis on developing codes of conduct and guidelines to help public officials and parliamentarians strengthen legislative ethics regimes based on the principles of transparency, accountability and integrity. GOPAC has created global taskforces to review issues such as parliamentary immunity and parliamentary oversight, and to create suitable codes of conduct in light of these reviews. GOPAC's publications include, notably, *Controlling Corruption: A Parliamentarian's Handbook* (August 2005).

[74] **Pacific Islands, Australia and New Zealand Electoral Administrators' (PIANZEA)** goal, as a semi-formal association, is to facilitate and encourage the free flow of electoral information among member countries and to provide assistance where possible. The members of PIANZEA are: American Samoa, Australia, the Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Federated States of Micronesia, New Caledonia, New Zealand, Niue, Republic of Palau, PNG, Samoa and Solomon Islands. The PIANZEA Secretariat is hosted by the AEC. The bulk of electoral reforms in Pacific states since 1997 have their origin in PIANZEA network and workshops.

> During consultations with the Review Team the usefulness of PIANZEA for improving electoral governance was stressed by one of the Pacific Island Electoral Commissioners.
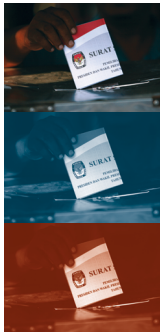
Political party and parliamentary foundations

[75]   **Netherlands Institute for Multiparty Democracy (NIMD)** is an organisation of Dutch political parties which seeks to strengthen political parties in states with developing democracies. It does this through initiatives to improve the democratic system in each country by supporting the institutional development of political parties and by undertaking efforts to improve relations between political parties, civil society and the media. It had a budget contribution from the Ministry of Foreign Affairs of approximately €9 million (approximately AUD 6.9 million) in 2007. NIMD has established Centres for Multiparty Democracy to provide a neutral setting where political adversaries have the opportunity to discuss how they can cooperate to strengthen democracy. It supports staff exchanges between political parties of neighbouring countries with the aim of promoting democratic reform. In all of these programs, NIMD enlists political practitioners to assist those taking part.

> The Review Team sees NIMD as an interesting model to consider in the event that Australia moves to set up a multi-party foundation for similar purposes.

[76]   **Friedrich Ebert Stiftung (FES)**, based in Germany, is a private non-profit foundation associated with the Social Democratic Party of Germany, with representation in 70 countries in Africa, Asia, the Middle East and Latin America. FES receives funding from the German Government. In 2008, it received €120 million (approximately AUD 225 million), mainly through public funding. FES aims to strengthen and promote democratisation, particularly through education and the promotion of a free and independent media. FES encourages interaction between the state, the political community and representative civil society bodies. Also based in Germany is the ***Konrad Adenauer Stiftung* (KAS)**, a foundation linked to the Christian Democratic Union which seeks to promote and strengthen democracy and the rule of law. Its main work is political education and research at two centres and 16 institutes in Germany. It also implements some overseas projects and develops materials for civic education and political practice.

[77]   **National Endowment for Democracy (NED)** is a large United States private, non-profit organisation created in 1983 to promote democracy and strengthen democratic institutions globally. NED gets most of its funding from the United States Government (around USD 100 million per year, drawn from a state department appropriation). About half of NED's budget goes to four United States umbrella organisations, including NDI and the International Republican Institute (see below); most of the remainder is spent on small grants to support projects of Indigenous pro-democracy groups working to promote human rights, independent media, the rule of law and a wide range of civil society initiatives. NED also seeks to increase international cooperation among democracy foundations (e.g., through 'democracy summits'), serves as the Secretariat for the World Movement for Democracy, publishes the *Journal of Democracy* (and other quality publications) and provides scholarships. NED expenditure is not classified as ODA.

[78]   **National Democratic Institute for International Affairs (NDI)** is active in 60 countries, providing technical assistance on committees, constituency relations, executive-legislative relations, legislative drafting, party caucus organisation and rules of procedure. NDI implements institutional development and legal reform projects with the aim of improving responsiveness to citizens. It assists parliaments to use new technologies to manage and distribute information, and helps to create research centres and to train MPs and their staff. NDI publishes papers providing

comparative information about legislative practices and democratic norms. NDI uses Indigenous practitioners, experts and officials (primarily on a voluntary basis) to deliver its assistance and cooperates with the World Bank, UNDP, the CPA and other relevant organisations.

[79]   **International Republican Institute (IRI)** works to strengthen political parties in new and transitioning democracies, and to increase the participation of women and marginalised groups in the political process. In its political party work, IRI teaches newly-elected officials how to be accountable to their constituents, to build coalitions and public support for policies and programs, to set legislative agendas, to offer constituent services, and to work with independent news media. IRI educates politicians on political processes, economic governance, international relations, and effective management and leadership skills. IRI also works with advocacy groups for women and other marginalised groups by helping these groups raise awareness and lobby for their cause.

[80]   **Westminster Foundation for Democracy (WFD)** is an independent organisation sponsored by the United Kingdom Government's Foreign and Commonwealth Office (FCO). In 2006-07 WFD received £4.1 million (about AUD 8.5 million) from the Government. It focuses on strengthening parliaments and political parties, primarily in Africa and Eastern Europe. WFD works primarily through, and in partnership with, the major United Kingdom political parties. Party-to-party support is largely in the form of party organisation development, election preparation, communication and campaign strategies, media skills and grassroots work. Democracy assistance projects are directed towards local government, parliaments, CSOs, women and youth, elections, the rule of law and the media. Examples of recent activities include supporting development of young leaders, improving accountability and transparency of government, citizen involvement in political reforms, improving rural women's capacity to influence policy and combating discrimination, promoting youth participation in voting, and developing coalitions and partnerships for parliamentary strengthening.

[81]   **Parliamentary Centre** is based in Canada and focuses on parliamentary strengthening and improving accountability and oversight within the context of wider political and electoral systems. CIDA contributed CAD 4.5 million (approximately AUD 5 million) to the Parliamentary Centre in 2006-07. Much of the Centre's work is carried out through workshops for parliamentarians and it has good networks across Africa. It has only recently begun working in Asia. The Centre's work includes support and training to parliamentary staff and committees, research and information, and a strong focus on gender equality (including assessments, strategies, networks and other initiatives). Programs tend to focus on committees but also include work with extra-parliamentary institutions such as human rights commissions and ombudsmen's offices. Increasingly the Centre's Africa programs also deal with governance outcomes—poverty reduction and anti-corruption—and parliament's role in affecting those outcomes. The Centre also provides additional advisory services to donors and legislatures including needs assessments, the development of legislative reform programs, institutional strengthening and parliamentary associations.
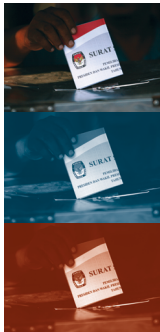
Organisations, centres and institutes based in Australia

[82] The Review Team is aware that many Australian organisations, centres and institutes work on aspects of political governance strengthening (e.g., research groups connected with universities), and acknowledges the value of this work. However, it was not possible, in the time available, for the Review Team to become familiar with the work of all such bodies.

> The Review Team sees merit in the creation (and maintenance) of a web-based database on political governance strengthening work by Australian organisations, centres and institutes. This idea could be taken up the context of the more general recommendation in Chapter 5 to improve information sharing and coordination (see paragraphs 214 to 222).

[83] **Australian Electoral Commission (AEC)**, in line with the Commonwealth Electoral Act 1918, undertakes international electoral work. It does this in close cooperation with DFAT, AusAID and, in relation to peacekeeping operations, with the Australian Defence Force and the Australian Federal Police. Most of the funding for AEC's international work comes from AusAID, the Commonwealth Secretariat, the UN, International IDEA, and IFES. The AEC has developed strong working relationships with these bodies (e.g., it has a partnership agreement with AusAID) and actively pursues networking with its counterparts in the Asian, Pacific and Southern African regions, particularly through the PIANZEA Network (see paragraph 74). The objectives of AEC's international work are: to enhance the consolidation of democracy and good governance through the provision of high-quality electoral assistance, emphasising the development of domestic capacity; to enhance the standing of Australia in the eyes of the international community; and to enhance AEC staff development.

> The review consultations confirmed that AEC's international work is held in very high regard by countries in the Asia-Pacific region and by relevant international organisations. The Review Team was impressed by the professionalism and dedication of the AEC staff undertaking international work, by AEC's strong emphasis on building local electoral capacity, its commitment to long-term engagement, support for electoral processes as well as electoral events, and by its approach to networking and mentoring.

[84] **Australia and New Zealand School of Government (ANZSOG)** is dedicated to promoting outstanding public sector leadership and effective public policy in Australia, New Zealand and the Asia-Pacific region. The School pursues its mission through the development and delivery of a range of programs for senior public servants. The School currently has a small suite of programs which are targeted at developing countries. These are the Pacific Islands Scholarships for Governance Program and the Pacific Executive Program. Both these programs aim to build the capacity of the public sector in participating Pacific nations through the development of individual senior public managers.

> In the view of the Review Team, ANZSOG has developed impressive methodologies, including culturally-appropriate learning styles and long-term support for its alumni. Following a visit by the Review Team, ANZSOG suggested there is substantial scope for giving greater support to those who work at the intersection of the political and public sectors, for example Chief Executive Officers of agencies who work directly to ministers and must account to parliament, and for the staff of the parliaments themselves. ANZSOG

indicated it could develop a program for such office holders across the Pacific. The Review Team believes this offer is worth pursuing.

[85] **Griffith University's Centre for Governance and Public Policy** does research into the capacity, sustainability and accountability of governments. Its research staff seeks to translate this research into practical applications to foster stable and accountable government and provide considered input into policy making. Current research of particular relevance to political governance support is on parliamentary capacity for oversight in Southeast Asia, looking at how parliaments use their oversight instruments (e.g., through committees) and why this capacity is not fully used.

Based on its short visit, the Review Team formed the impression that the Centre for Governance and Public Policy has significant research capacity in some areas that are highly relevant to political governance support, and that further contact with this Centre by AusAID and CDI would be warranted to tap into this research capacity.

[86] **Institute for Ethics, Governance and Law (IEGL)** is a joint initiative of the United Nations University, Griffith University and Queensland University of Technology (Faculty of Law) in association with the Australian National University (ANU). IEGL aims to be a globally networked resource for the development of values-based governance through research and capacity building. It aims to improve governance and build institutional integrity in governments, corporations, NGOs and international institutions through engaging other academic, NGOs, government, business and multilateral institutions and networks. In its work, IEGL emphasises:

- value-based governance, involving the combination of ethical standard setting, legal regulation and institutional reform

- cross-disciplinary theorising and empirical work that brings together the normative sciences of ethics and law with social sciences of international relations, political science, economics, sociology and criminology

- networking of governance centres in Australia, the region and the world

The work IEGL has conducted on mapping and assessing national integrity systems is broader than political governance and indicates the central role that legislative and ministerial ethics and governance play. It shows the role of ethics in a broader 'values-based' approach to governance which argues that ethical standard setting, legal regulation and institutional reform need to be coordinated and that ethics provides the means for that coordination.

Based on discussions with IELG's Director, the Review Team was impressed by the culturally specific attention of the IEGL to leadership and the issue of coordination, particularly in relation to networking governance centres, and using ethics as a means of coordinating ethical standard setting, legal regulation and institutional reform.

[87] **Murdoch University's Asia Research Centre** undertakes research into social, political and economic dynamics in East and Southeast Asia, with a current focus on the forces within the region that mediate globalisation. The Centre's objectives are to produce high-quality academic research publications and to contribute constructively to public policy debate on contemporary Asia. Among other things, the Centre is conducting research on the networks and relationships from which coalitions are formed and which define the allocation of power and wealth. Other relevant research concerns the building of reform coalitions across state and civil society.
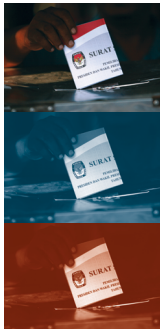
Based on its visit to the Asia Research Centre, the Review Team formed the view that the Centre offers expertise in understanding political economy dynamics in East and Southeast Asia, and has useful capacity for cross-country and regional analysis. Noting that the Centre was a successful recipient of an Australian Research Development Award in 2008, the Review Team suggests that further contact with it by AusAID and CDI is warranted, to tap into its capacity.

[88] **La Trobe University's Public Sector Governance and Accountability Research Centre (PSGARC)**. PSGARC's central objective is to improve the effectiveness and capacity of Parliamentary Public Accounts Committees (PACs) to carry out their financial oversight of executive government on behalf of the legislature. It does this through workshops and training courses for participants from Australia and overseas, allowing them to share knowledge, improve cooperation and develop common standards for accountability and governance. In its training courses, the Centre requires teams of participants to: (a) develop an action plan to implement within their parliaments and (b) return the following year to report on implementation of the action plan. PSGARC makes wide use of experienced practitioners to deliver its training. CDI, UNDP, WBI and CPA have used PSGARC to provide training, mainly for participants from the Pacific region. The CPA has applied PSGARC's training model to other training courses.

Based on its visit to PSGARC, as well as feedback received from other sources, the Review Team was impressed by the quality, practical nature and collaborative approach of the Centre's training in this important, albeit niche, aspect of political governance. The Review Team would see merit in continuing contact with PSGARC by AusAID and CDI, inter alia, to ensure complementarity and synergy between its work and CDI's work on strengthening parliamentary committees.

[89] **Monash University's Governance Research Unit** has a broad remit to analyse the interrelationships that affect the quality of governance in every society and economy, with a particular focus on corporate governance, public governance, civil society and the links between them. With the help of the Australian Research Council and AusAID funding, the Unit is undertaking a significant research project entitled Parliamentary Careers: Delivery and Improved Capacity Building in conjunction with the University of Sydney, IPU, the University of the South Pacific and CDI. The project, still in its early stages, aims to investigate and evaluate the design and delivery of capacity building for parliamentarians, particularly from the Pacific.

[90] **Centre for Democratic Institutions (CDI)** is considered in the following chapter.

4. Centre for Democratic Institutions

History and background

[91]   Australia has its own body for strengthening political governance in developing countries—CDI. Set up through Australian aid funding in 1998 and housed at ANU, CDI aims to support focus countries (Indonesia, Timor-Leste and countries of Melanesia—PNG, Solomon Islands, Fiji and Vanuatu) in strengthening their parliaments and political parties. This support primarily takes the form of short-term, intensive and high-quality training projects. The creation of CDI recognised the importance of this aspect of political governance for development outcomes, the lack of other international expertise on these matters in Australia's immediate region, and the need to build expertise, particularly on Pacific Islands' governance.

[92]   The initial mandate of CDI was much broader than parliaments and political parties. It also covered accountability, civil society, human rights, judiciary and the media. Accompanying this broader initial mandate was a broader geographic scope defined as 'an overall consistency' with Australia's aid program, therefore including southern Africa. In the first three years, much of CDI's programming focused on Southeast Asia (more than 90 per cent).

[93]   The narrowing of CDI's mandate to parliamentary and political party strengthening limited to the countries of Melanesia, Timor-Leste and Indonesia was confirmed in 2004. The main aim of this change was to allow CDI to concentrate its activities and to complement more effectively Australian whole-of-government priorities and engagement in the immediate region.

Funding and contractual arrangements

[94]   ANU led a consortium that won the initial contract to establish CDI. Other members of the consortium were Murdoch University (through the Asia Research Centre) and the Public Service Merit Protection Commission. The Commission withdrew from the consortium when it was decided that CDI should not work on public sector reform. In 2001, ANU's contract to operate CDI was renewed for a further three years, until June 2004.

[95]   A tender restricted to Australian universities was undertaken in 2004 to consider alternative service providers for managing and hosting CDI until June 2007. Four institutions were invited to submit tenders:—ANU, Griffith University, University of Sydney and the University of Wollongong's Centre for Asia Pacific Social Transformation Studies (CAPSTRANS). ANU was awarded the contract to host CDI at AUD 2.5 million from January 2005 to 30 June 2007.

[96]   A fourth contract was offered to ANU to host CDI from 1 July 2007 to 5 March 2009 for AUD 2.2 million, including AUD 2 million of core funding and AUD 200 000 additional funding, primarily for support for CDI programming to support female leaders and parliamentarians.

[97]   CDI's current contract, 6 March 2009 to 5 March 2011 (AUD 4 million), is with ANU for an increased amount of AUD 1.5 million per year for core funding, and AUD 500 000 per year to support a high level strategic partnership with the Bali IPD, established to provide support to the BDF.
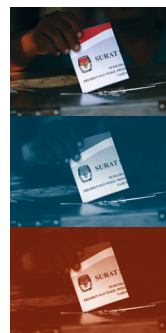
Governance and staffing arrangements

[98] In the first four years, the Director of CDI was advised by a Consultative Group, comprising 15 eminent persons drawn from relevant Australian political, government, academic, business, legal and media circles. The Consultative Group met biannually, to provide overall guidance and advice on broad policy and strategic directions.

[99] One key finding of a review of CDI by AusAID in 2000 (the Dun Review) was that, for its size and nature, CDI was subject to multiple layers of accountability and was an over-governed organisation. In September 2002, the then Foreign Minister (Alexander Downer) agreed to replace the original Consultative Group with a Consultative Council, in an attempt to improve its effectiveness. The Consultative Council had greater independence than did the earlier group, and was originally envisaged to be smaller, providing more tightly focused scrutiny over CDI. The Consultative Council expanded in August 2005 to include representatives with minor party and small party jurisdiction experience.

[100] The Consultative Council (of some 20 members) did not resolve the issue of multiple layers of CDI accountability. Its large size, plus low engagement and attendance by some of its members, reduced its effectiveness. In October 2008 the Minister for Foreign Affairs (the Hon Stephen Smith MP) agreed to its dissolution and its replacement with more direct engagement with AusAID.

[101] CDI is managed by ANU and is part of the Crawford School of Economics and Management, Research School of Social Sciences. CDI has four staff: Director, Deputy Director, Executive Officer and Project/Finance Officer.

[102] The Director, Professor Ben Reilly, was appointed in February 2006, and succeeded Roland Rich (now head of UNDEF) who was Director from 1999 to 2005. After his departure Dr Michael Morgan was acting Director until Professor Reilly took up his position. Mr Quinton Clements is Deputy Director.

Reviews of performance

[103] The mid-term review of CDI undertaken in 2000 by Dr Bob Dun, a former Director-General of the Australian International Development Assistance Bureau (now AusAID), and AusAID employee Ms Pat Duggan recommended:

- extending core funding to CDI for an initial operational term of six years
- reducing the size of the Consultative Group
- improving performance management processes
- engaging a short-term marketing expert to explore private sector funding
- a strategic plan to guide future work
- better communication and coordination between CDI and AusAID.

Planning and reporting

[104] CDI is subject to AusAID's ongoing Quality at Implementation reporting.

[105] CDI is required to provide annual plans and annual reports to AusAID. The annual plans cover: planned activities for the period of the plan, including projects, research and events; an implementation schedule and resources; a detailed budget for the period of the plan; and any other information as required or agreed to by AusAID in writing.

[106] The annual reports include: a summary of the activities (including projects, research and events); progress achieved during the period of the report towards CDI objectives; evaluation of CDI effectiveness against the CDI performance evaluation framework; financial acquittal; lessons from the assessment of activity progress; and any other information as required or agreed to by AusAID in writing.

Role and mandate

[107] CDI aims to support the efforts of partner country governments in democratic reform through:

- improving the operation and understanding of parliamentary machinery by members of parliament and parliamentary staff

- strengthening democratic political parties in priority countries

- producing applied research aimed at promoting democratic parliamentary systems

- undertaking appropriate activities in conjunction with the Bali Institute for Peace and Democracy.

[108] Several other Australian institutions work on similar political governance matters, but without AusAID core funding. Some examples (covered in Chapter 3) include the PSGARC at La Trobe University, the Centre for Governance and Public Policy at Griffith University, and the Asia Research Centre, Murdoch University.

[109] Under its funding agreement, CDI is required to coordinate its activities with other bodies working on parliamentary and political party strengthening, including: Australian Government departments and agencies; initiatives of other donor agencies; WBI and the Asian Development Bank; the UN and its various programs; other relevant bilateral and multilateral organisations; relevant local NGOs; and other academic institutions focused on governance and democracy.

Work program

[110] CDI's major activity is the design and delivery of short-term, intensive and high-quality training courses focusing on improving parliamentary and political party processes, systems and integrity by targeting elected representatives and relevant secretariats, offices and officials.

[111] CDI runs annual training courses—Effective Parliamentary Committee Inquiries, Responsible Parliamentary Governance, Political Party Development, and Parliamentary Financial Scrutiny. It also organises a high-profile annual address, which has included Mikhail Gorbachev and Anwar Ibrahim as past speakers. It brings regional leaders together for the Annual CDI Pacific Parliamentary Dialogue now in its 11th year.

[112] In addition to these flagship events, CDI organises specific targeted activities conducted in-country at the request of the focus countries, such as induction programs. CDI sponsors participants from the focus countries to participate in other relevant training and events. It also conducts research within its area of expertise (limited to 15 per cent of its core funding under the contract).

[113] CDI draws on Australian, regional and international experts: on current and former practitioners who are connected with Australian and New Zealand legislatures and major Australian political parties; and on Australian and regionally-based

consultants, practitioners and other relevant experts. CDI works collaboratively with several international partners (e.g., UNDP, WBI, CPA).

[114]   In 2008, major components of CDI's work included:

- Effective Parliamentary Committee Inquiries Course, ANU, Canberra, 12 to 15 February 2008

- Forum on Australia's role in democracy promotion, co-convened with Australian Institute of International Affairs, Canberra, 14 March 2008

- Political Party Development Course, ANU, Canberra, 12 to 23 May 2008

- CDI and WBI E-training Course on Parliamentary Financial Scrutiny, (delivered online and by video-conference) PNG, Kiribati, Fiji, Indonesia, Washington, Canberra, 29 July to 21 August 2008

- Responsible Parliamentary Governance Course, ANU, Canberra, 8 to 19 September 2008

- Induction Program for Parliament of Vanuatu, Port Vila, Vanuatu, 2 September 2008

- Women in Politics: Train the Trainer Course, Canberra, 10 to 14 November 2008

- Participation in Bali Democracy Forum experts group meeting, Bali, Indonesia, 10 to 11 November 2008

- Timor-Leste Parliament Review of Rules of Procedures, Dili, Timor-Leste, 20 to 21 November 2008

- The 10th Annual CDI Pacific Parliamentary Dialogue: entitled Striking A Balance: The Role of Parliament in Managing Development, Port Vila, Vanuatu, 9 to 11 December 2008

- Book launch, Political Parties in Conflict-Prone Societies: Regulation, Engineering and Democratic Development, (co-edited by Ben Reilly and produced in cooperation with International IDEA and United Nations University).

Box 5: Example of CDI course

2nd Annual Effective Parliamentary Committee Inquiries Course

The second annual CDI and NSW Parliament Effective Parliamentary Committee Inquiries Course was held at Parliament House in Sydney from 16 to 20 February 2009.

The course, developed by CDI in partnership with the Parliament of New South Wales, was supported by WBI and the CPA. It was aimed specifically at parliamentary committee staff, focusing on the practical aspects of parliamentary committee work.

The course was convened by CDI Deputy Director Quinton Clements, and Steven Reynolds, the Clerk Assistant of Committees and the Usher of the Black Rod in the Legislative Council of the New South Wales Parliament.

Twenty parliamentary officials involved in supporting committees from 14 parliaments in 13 countries around the region participated—Bangladesh, Thailand, Vietnam, Laos, Indonesia, Timor-Leste, PNG, Autonomous Region of Bougainville, Fiji, Vanuatu, Solomon Islands, Tuvalu, Tonga and Samoa. Among the participants were the Clerks of the Parliaments of Tonga, Tuvalu and Samoa.

The course program followed the process of conducting a committee inquiry from the beginning with the issuing of terms of reference for an inquiry through to the drafting of the final report and its tabling in Parliament. Topics covered included planning and budgeting for an inquiry, collecting evidence, processing written submissions, conducting public hearings and analysing the evidence received.

Review findings on CDI

Organisational reputation

[115] During the review, consistent positive feedback was received from a diverse range of stakeholders on CDI's work and performance. This was apparent in the consultations undertaken both in Australia and overseas. As an example, during the Review Team's consultations in PNG positive feedback was received on CDI's work from the Deputy Speaker of the PNG Parliament, from parliamentary staff, UNDP staff, a former Speaker of Parliament, the National Research Institute (which had worked collaboratively with CDI), the Office of the Registrar of Political Parties and Candidates, and the Clerk of a Provincial Assembly. Many of those providing positive feedback had participated in, and benefited from, CDI courses or had direct first-hand knowledge of them. Similar feedback was received during the Review Team's consultations in Timor-Leste.

[116] As CDI has now been operational for more than 10 years, this has allowed for significant goodwill, and for professional, institutional and personal networks to develop. CDI has a reputation for working collaboratively with a range of different organisations, and for applying a pragmatic and targeted approach to its training, which is increasingly demand driven.

[117] CDI's Director and staff are well regarded. It became apparent during the review that in particular Professor Reilly and Mr Clements enjoy significant professional and personal reputations as respected experts.

Impact and development effectiveness

[118] The breadth of the positive feedback received, and the strength of the organisational reputation of CDI, belies its staffing size of four people and relatively small budget. The in-country consultations provided firm evidence of the development impact and effectiveness of CDI's work. Much of this feedback attested to increased capacity of participants resulting from CDI courses and the value placed on participation in these courses. Some consulted had a significant appetite for further CDI work, another indicator of its impact and development effectiveness.

[119] In light of the relatively small staff and budget, and the extent (and quality) of the work undertaken, it is clear that CDI is an effective channel for development assistance in the area of political governance strengthening.

[120] At the same time, there is scope for further in-country work which would increase the impact and development effectiveness of CDI's work. A consistent theme in the consultations overseas was the call for CDI to conduct more training in-country, and for CDI to conduct follow-up where in-country work had taken place.

[121] Much of CDI's Australian-based training takes place in Canberra. While this has the benefit of drawing on the resources available at ANU and the Australian Commonwealth Parliament, the size and structure of the latter means it may not be an appropriate model for participants from small Pacific Island states.

[122] The issue of suitable scale is recognised in CPA's twinning program between Australian and Pacific legislatures and in CDI's Effective Parliamentary Committees course, which was convened in the NSW Parliament in 2009 (see Box 5).

Recommendation 1

[123] **The Review Team recommends that CDI give close consideration to:**

    (a) convening, where appropriate, courses in-country, regionally or in locations other than Canberra

    (b) providing more direct in-country support, in response to partner country demand

    (c) using local expertise.

Efficiency and sustainability

[124] As noted above, CDI funding is used efficiently and effectively.

[125] The sustainability of CDI depends largely on ongoing core funding. The Dun Review recommended that a marketing expert be engaged for a short term to explore the scope for attracting private sector funding. This assignment was completed in 2002. It found that the philanthropic market was extremely tough and left little room for optimism that CDI could attract private sector donors. The importance of securing continuity of core funding from government, and new external money for future growth was emphasised.

[126] CDI has in the past attracted small amounts of funding from external sources (e.g., AUD 126,861 in 2006-07). But the opportunity costs of the use of CDI staff time on its core business is likely to be quite high. Other organisations similar to CDI rely heavily on government funding: for example, in 2006–07 the WFD received £4.1 million (about AUD 8.5 million) from government and £681,000 (some AUD 1.4 million) in external grants.

[127] The Review Team noted that given the strong reputation and contribution of CDI staff, there is a risk that their departure (particularly at short notice) could adversely affect the quality and impact of CDI work. The ability of CDI to attract and retain high-quality staff depends, to a significant extent, on funding and institutional certainty. The most recent CDI funding agreements have been for two years, 19 months, and two-and-a-half years respectively. A longer-term funding commitment and longer lead-in time for decisions on continued funding based on appropriate evaluation would improve CDI's ability to attract and retain quality staff as well as allow for longer-term planning.

Recommendation 2

[128] **The Review Team recommends that CDI be given greater funding and organisational certainty by way of funding commitments for five-year terms and longer lead-in time for decisions on continued funding based on appropriate evaluation.**

Incorporation of gender considerations and gender equality

[129] Dr Sun Hee Lee, former Director of AusAID's gender section, was seconded to CDI as Special Advisor on Gender, from June 2008 to March 2009, to develop and implement a course entitled Women in Politics: Train the Trainer, which was delivered from 10 to 14 November 2008 and included 18 participants from eight nations (PNG, Solomon Islands, Vanuatu, Timor-Leste, Fiji, Indonesia, Kiribati and Tonga).

[130] The issue of gender inequality is particularly acute in the Asia-Pacific region and the South Pacific has the world's lowest levels of female representation in parliament.

Improving the representation of women in political leadership is an issue that has been, and is being, integrated across CDI's work program. The percentage of female participation in CDI courses averaged around 24 per cent over the past four years.

[131] Other recent work undertaken (January and February 2009) by CDI included an assessment of relevant gender and political leadership activities in Fiji, Solomon Islands and Vanuatu, which will help assist national efforts to get more women elected in the next cycle of elections in the region. The assessment noted an urgent need for a more coordinated and strategic approach to supporting women in political activities.

Geographic focus

[132] The Review Team found CDI's focus on Indonesia, Timor-Leste, PNG, Solomon Islands, Fiji and Vanuatu is sound, warranted and working well. Having a targeted geographic (and thematic) scope enables CDI to develop networks and expertise and provide focused and targeted support. There is already more demand for CDI courses and services from among its focus countries than can be met by current resourcing, so a broadening of geographic scope would come at the expense of current programming.

[133] The new work stream arising out of CDI's engagement with the IPD pursuant to the BDF will necessitate working with countries outside of CDI's focus countries for the purpose of IPD activities. This is reflected in the current funding agreement.

Recommendation 3

[134] **The Review Team recommends that CDI retain its geographic focus on Indonesia, Timor-Leste and Melanesia, noting that CDI's work remains particularly useful to fragile states in the Pacific. Further work beyond CDI's current geographic scope should be considered on a case-by-case basis.**

Thematic focus

[135] CDI has demonstrated, and cultivated, its capacity and expertise through its focus on political party development and parliamentary support work. Improvements in the performance of CDI can be correlated with a tightening of its mandate, and having a targeted thematic approach has enabled strong performance in these fields. The WFD has also chosen the focus on political party development and parliamentary support as its mandate.

Recommendation 4

[136] **The Review Team recommends that CDI continue to focus on strengthening parliaments and political parties.**

[137] There may be scope for CDI to play a greater role as a 'clearing house' or 'knowledge hub' in relation to the various political governance activities taking place within the region. This would help address some of the issues identified in relation to improved coordination (Chapter 5).
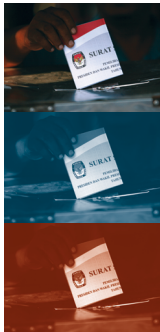
Harmonisation and complementarity with other organisations

[138]   The Review Team found that, in a crowded field, CDI has been able to strengthen the impact of its work by working cooperatively with a range of organisations. Examples include:

- Commonwealth and state parliaments on committee secretariat training
- The National Research Institute and UNDP for the parliamentary induction course in PNG
- WBI on e-training for parliamentary financial scrutiny
- CPA and state parliaments on Pacific twinning arrangements
- IRI and the Department of the Legislative Council (Parliament of NSW) on a Review of Timor-Leste's Parliamentary Rules and Procedures
- UNDP on the Vanuatu Parliamentary Induction program
- Australian political parties on the Political Parties Development Course
- International IDEA on the publication *Political Parties in Conflict-Prone Societies: Regulation, Engineering and Democratic Development*
- PSGARC, WBI and CPA for the Summer School for Parliamentary Public Accounts Committees.

Linkages/complementarities with AusAID's broader programming

[139]   The Dun Review called for improved communication between CDI and AusAID. It became apparent during the current review that issues related to this have not been resolved and that more is needed on both sides to improve awareness among AusAID staff of the work undertaken by CDI. The consultations also revealed that some overseas Posts had experienced difficulties engaging with CDI, particularly briefing and debriefing on CDI missions and in-country activities. Coordinating CDI work with AusAID's broader programming needs to recognise CDI's status as an independent, external body. The current funding agreement for CDI seeks to improve communication by providing for specific meetings with the relevant AusAID Assistant Directors General and staff to discuss annual plans and reports.

Location

[140]   The Review Team recognised the advantages and disadvantages of CDI being based at ANU. As part of the university, CDI benefits from being linked to an internationally renowned academic institution, accompanied by the networks, facilities, organisational reach and other advantages that this brings. But being part of ANU also brings with it the pressures and constraints of being housed in an academic institution, such as research and publication requirements.

[141]   The Review Team does not make a recommendation on where CDI should be housed, but notes there are current advantages and disadvantages and that the best location will depend largely on government decisions about the future mandate and role of CDI.

Sub-national engagement

[142]   The devolution of political power to the sub-national level occurring progressively in Indonesia, PNG and other parts of the region, and the increasing recognition of the relationship between sub-national governance and service delivery, warrants further attention being paid to these aspects of political governance. The Review Team sees scope for further work by CDI at the sub-national level, particularly in Indonesia and PNG.

Recommendation 5

[143] **The Review Team recommends that CDI give increasing attention to the sub-national level within its geographic and sectoral focus.**

Alumni

[144] CDI has now built up a large body of alumni (an estimated 4100 individuals). The Review Team sees merit and scope for further work by CDI to use and support its alumni, by way of networking, mentoring or otherwise further involving them in CDI work, for example along the lines used by ANZSOG (see paragraph 84).

Australian Political Parties for Democracy Program

[145] The Terms of Reference require the Review Team, within a consideration of CDI, to include a:

> consideration of any available findings of the ANAO audit of the APPDP and how this relates to AusAID's engagement.

[146] Funding for Australian political parties to undertake international work is provided directly to the two major parties under the APPDP, with an understanding that funding for the Liberal Party may be shared with its coalition partner at its own discretion. Other groups with standing as parties in the Parliament do not receive any funding.

[147] While representatives of both major political parties appeared before the Review Team, neither was prepared to provide detailed information on their acquittal of the funds provided under the APPDP, and little information was given by either on the nature of their activities in this area, both indicating that they make full disclosure to the Department of Finance and Deregulation.

[148] The Review Team does not doubt that much good work is done by both parties in strengthening the roles of political parties in fragile states in our region. Furthermore, the Review Team also believes that the use of part of APPDP funding to support active engagement with international organisations such as the International Democratic Union and the Socialist International is an appropriate use of funds.

[149] The Auditor General's report on the APPDP[18] was critical of the looseness of the accountability mechanisms applied by the Australian Government's Department of Finance and Deregulation.

Recommendation 6

[150] **The Review Team recommends that future government contributions to Australian political parties for international work be contingent on stricter accountability for funds provided, along the lines suggested in the Auditor General's February 2009 report on the Australian Political Parties for Democracy Program. The Review Team further recommends that such funding be provided to all parties enjoying party status in the Parliament on a pro rata basis.**

[151] It is important that overlap and duplication of political party support work of APPDP and CDI be avoided, through coordination or information sharing.

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18   *The Administration of Grants Under the Australian Political Parties for Democracy Program.* Audit Report No. 18 2008-09. ANAO.

5. Key findings, issues and recommendations for Australian aid policy

[152]   In recent years governments have paid increasing attention to political and democratic governance. This interest responds to a range of foreign policy, security, humanitarian and development goals. Accompanying 'the Third Wave' of democratic transitions occurring from the mid 1970s, and particularly upon conclusion of the Cold War, democracy support emerged as a key issue for the international community. There were numerous rationales for this, ranging from the idea that market-based democratic systems were the most conducive for good policy and inclusive development, to the 'liberal/democratic peace' argument that democratic states are less likely to go to war with each other.[19] More recently, within international development thinking, there has been an increasing acknowledgement that politics matters and that the power relationships and the political governance of partner countries impacts heavily on the effectiveness of aid.

Defining political governance aid

[153]   There are variations among donors and practitioners on the definitions, scope and approaches to political governance and AusAID needs to develop and provide clearer strategic guidance on its approach.

[154]   The Review Team supports the definition that 'political governance' refers to the way in which political power or authority is acquired, distributed and exercised, and through which processes and institutions this takes place.

[155]   AusAID's political governance support has evolved to a broad range of assistance and the scope is changing. Strengthening formal institutions and processes remains an important part of assistance but the emphasis is shifting towards the role of other critical drivers, including civil society and leaders. AusAID works to strengthen political governance with its partner countries, not all of which are democratic states.

[156]   The majority of assistance is provided through bilateral country programming although this has been enhanced by more recent initiatives such as the Building Demand for Better Governance program. The Review Team supports this broader scope and approach.

[157]   While political governance is an area where country context inevitably shapes the nature of Australian engagement, the lack of clear Agency-wide strategic guidance has led to the emergence of a variety of approaches. It has also led to uncertainty about the types of political governance work which can validly be pursued and the partners that should be engaged. Greater certainty, guidance and coherence are needed within the aid program, at a country, regional and global level. It is envisaged that the guiding principles contained within this report can inform the development of a strategic framework for political governance to provide such needed practical guidance.

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19   See Menocal, A., V. Fritz and L. Rakner (2007) *Assessing International Democracy Assistance and Lessons Learned: how can donors better support democratic processes?* Background note for Wilton Park Conference on Democracy and Development, 23-25 October 2007.
Boutros-Ghali, B (1996) *An Agenda for Democratization*. New York: United Nations.
Paris, R. (2004) *At War's End: building peace after conflict*. Cambridge: Cambridge University Press.

[158] **The Review Team recommends that AusAID, as a priority, develop a strategic policy framework for political governance based on the guiding principles contained in this report, to provide clear, practical guidance to enhance its political governance support.**

[159] Whilst AusAID uses the term 'political governance', many donors and organisations prefer to use the term 'democratic governance', and some specifically refer to 'democracy promotion'. Democracy promotion usually carries ideological, security and foreign policy connotations going beyond purely development objectives and these may best be handled outside of AusAID. With democracy promotion, clarification is required to clearly establish AusAID's role and responsibilities, its relationship to development outcomes and its classification as ODA.

[160] Democracy promotion in its own right is not an objective of Australian international development assistance. Democracy expert Thomas Carothers has recently proposed two distinct approaches to democracy support: the *political* approach and the *developmental* approach.[20] The political approach sees inherent value in the idea of democracy in and of itself, and a system that will better protect basic political and civil rights. Under the development approach, democracy is supported on the basis that its features—accountability, transparency, participation and responsiveness etc.—are better able to contribute to socio-economic development.

[161] The approach taken by AusAID aligns with what Mr Carothers describes as the developmental approach. For AusAID, strengthening political governance and democratic systems and processes has principally been about increasing the accountability of the state to its citizens, empowering communities in need and achieving concrete development results. AusAID's assistance extends beyond democratic states. The Review Team endorses AusAID's developmental approach to democracy assistance.

Recommendation 8

[162] **The Review Team recommends that AusAID's role and responsibilities in democracy promotion be clarified and that its democracy assistance be clearly linked to development outcomes and meet ODA criteria.**

Support for broader aid program objectives

[163] Political governance is a key factor in the achievement of broader development objectives such as the MDGs and the Paris and Accra aid effectiveness agendas.

[164] The quality and availability of public services, the climate for economic growth, and the management of natural resources are all strongly influenced by how political decisions are made. Politics impacts on all other aspects of governance and on the effectiveness of development assistance. Responsive and accountable political systems lead to better development outcomes in the long term because they encourage alignment between the interests of citizens and the state.

[165] The aim of political governance activities is therefore to promote decision-making processes that help reduce poverty and address the needs of all citizens. This is to be achieved through building the *capacity* of political institutions to enable them to *respond* to needs and improve *accountability*, and building the capacity of civil society to *participate* and demand accountability.

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20   Carothers, T (2009) 'Democracy Assistance: Political vs Developmental?'. *Journal of Democracy* 20(1): pp. 5-19.

[166] Strengthening political governance is central to ongoing, sustainable and country-driven development. The commitment to strengthening and working within country systems contained within the Paris Declaration necessitates a commitment to strengthening political governance. The Accra Agenda for Action involves increasing attention to parliaments, media and the other domestic institutions, and the accountability function that they play.

[167] Political governance support is too important, and its impact upon government decision making too far-reaching, for it to be seen as a discrete area. Experience shows that donor programs that treat political governance as a discrete sector are unlikely to be effective. Poor government decision making affects the state of hospitals in a country, just as it does schools, roads and bridges. It has impacts far beyond just the parliament, political parties and electoral system.

[168] The Review Team accepts the strong connection between political governance, development outcomes and the effectiveness of development assistance. The Review Team also sees Australia's support for political governance as a cross-cutting factor to be considered in AusAID's formulation of program and program-related strategies.

[169] Australia's political governance support needs to reflect, and contribute to, the broader goals, objectives and general policies applying to the aid program. Currently these emphasise, inter alia, helping partner countries achieve the MDGs; reducing poverty; advancing the Paris Declaration development effectiveness principles and the Accra Agenda for Action; and promoting gender equality. Because the aid program's (and AusAID's) performance is judged largely by the extent to which the program serves these objectives, political governance support needs to contribute fully to them. In the Review Team's opinion these considerations give rise to the need for the following two general guiding principles for AusAID to apply to political governance support

Guiding principle 1

Australia's development assistance for political governance should support the broader objectives and policies applying to Australia's international aid. These include helping countries achieve the MDGs, reducing poverty, advancing the Paris Declaration development effectiveness principles and Accra Agenda for Action, and promoting gender equality.

Guiding principle 2

As an enabling and cross-cutting factor (and process), political governance support should be considered and threaded into AusAID's program, sectoral, thematic and institutional engagement strategies; and clear, practical guidance should be provided to facilitate this.

Coordination

[170] A recurring theme in the Review Team's consultations both in Australia and in the two countries visited (PNG and Timor-Leste) was the need for better coordination of the range of political governance programs and the equally wide array of providers. The breadth of the scope and number of organisations undertaking this work is apparent in Attachment H, which covers a selection. The issue of coordination has also been consistently identified in a range of recent international

reviews of political governance support.[21] The coordination issue occurs on a number of levels and relates to:

- Australian support
- regional support
- international support.

[171]   Allied to this, and raised by some of our interlocutors, was the need for a clearing house for the many programs, curricula, research papers and publications. An additional point raised by one group the Review Team consulted is the need to ensure that all activities in the political governance area are rooted in sound research.
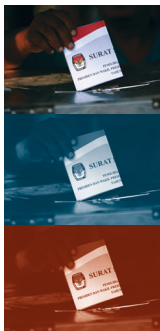
[172]   In relation to parliamentary capacity building, for example, there are a range of organisations and agencies supporting this work in Australia, including:

- CDI
- AusAID country programs support for in-country work (e.g., through UNDP and UNIFEM)
- Australian Parliament, through parliamentary training and delegation visits (and in conjunction with CPA and IPU)
- state/territory parliaments (e.g., through CPA's twinning program)
- academic institutions.

[173]   The Review Team has taken the view that there is value in the provision of political governance activities through a diverse range of providers, as different providers bring different expertise. This attracts a variety of talent, encourages innovation and engages a wider range of communities than if provision were centralised. There is, however, clearly a need for better coordination and oversight of programs, and for some sort of clearing house mechanism to ensure that research and materials are widely disseminated, to ensure that information is shared among donors and providers, and to encourage collaboration so providers are not wasting effort in duplicating work already completed or misdirecting their efforts in ignorance of research findings which might influence them.

[174]   The need for coordination gives rise to Guiding principle 3 and further findings and recommendations in relation to the issue of coordination within Australia and internationally are discussed later in this chapter (paragraphs 214 to 222).

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21   Hudson, A., C. Wren (2007) *Parliamentary Strengthening in Developing Countries. Final Report for DFID.* Overseas Development Institute, 12 February 2007.
Hubli, K.S., and M. Schmidt (2005) *Approaches to Parliamentary Strengthening: Review of Sida's Support to Parliaments.* Sida Evaluation 05/27, Department for Democracy and Social Development.
Amundsen, Inge (2007) Donor Support to Political Parties: Status and Principles. CMI Report R 2007:6. Available at <www.cmi.no/publications>.
Africa All Party Parliamentary Group (2008) *Strengthening Parliaments in Africa: Improving support.* A report by the Africa All Party Parliamentary Group, March 2008.

Political economy and country context

[175] An understanding of the political economy and cultural context of AusAID's partner countries must inform approaches to political governance and development more broadly, so they take into account local culture, power relations and incentives and identify possibilities, obstacles and drivers of change.

[176] There is a need to recognise the role of traditional or customary political governance in community and national development, and the interaction between customary governance, other community governance systems and introduced political governance systems.

[177] If there is a focus on the *function* that political institutions perform (such as accountability and participation), rather than an idealised *form* of what they should look like, then the presumption that there is an ideal model or form that can be exported to another country is removed, and the focus, priority and objective of assistance changes.

[178] The Review Team's country visits to PNG and Timor-Leste demonstrated the differences in country situations and the importance of understanding country context to inform political governance assistance. In PNG, the institutional framework is largely in place—for instance Parliament has well-developed legislative processes and standing orders and more than 30 committees—but the institutions are not functioning effectively. Timor-Leste, on the other hand, is still in the early stages of establishing its institutional framework and requires assistance in its development. This different institutional development impacts upon the sequencing and priorities of assistance; however, the existence of political institutions, in and of themselves, is meaningless unless these are being used to perform their function. Identifying the causes behind the ineffective functioning of institutions and the drivers for reform are important elements.

[179] During the Review Team's consultations in PNG, the demands upon parliamentarians of the *wantok* system of reciprocity became abundantly clear. This system creates significant pressure on parliamentarians to spend time within their electorate, and expectations on them to provide resources at a local level. The effect is that parliamentarians are generally focused more on their electorate than on national issues. To be sustainable and effective, political governance support needs to be tailored to take these considerations into account. In Timor-Leste,

the application of the continental legal and parliamentary system in contrast to a Westminster/common law system, accompanied by the use of three languages in Parliament (Portuguese (both legal and conversational which differ), Tetum and English) and the problems this creates, has meant that the assumptions underpinning Australian-based assistance are quite different and need to be understood and considered critically.

[180] The importance of political economy analysis to inform political governance programming is reflected in Guiding principle 4. While recognising that AusAID is prioritising country situational analysis to inform country strategy development, particular attention needs to be paid to analysing and understanding political economy and cultural context to inform political governance programming and country and regional strategies more broadly.

Recommendation 9

[181] **The Review Team recommends that political economy analysis be prioritised to inform political governance programming and broader country and regional strategies.**
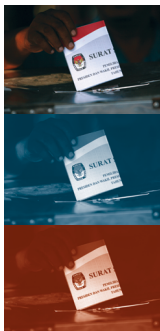

Guiding principle 4

Australia's development assistance for political governance must be grounded in, and respond to, a sound understanding of the political economy and cultural context of the partner country. Providers of political governance support should:

- tailor support to partner country needs and ensure that this support aligns with AusAID's country strategies

- not assume that Australian models or approaches are the most relevant or can be simply exported or transposed

- work with local organisations, thereby strengthening these organisations and learning about the local context

- draw on best available research and analysis and, if necessary, commission research and/or political economy analysis

- give specific attention in countries emerging from conflict or in states of fragility, to the country's absorptive capacity and to the sequencing of assistance.

Increasing the effectiveness of political governance aid

[182] Support for parliaments, parliamentarians, political parties and electoral processes should not take place for its own sake, but rather for the functions it plays in supporting participatory, accountable, responsive and capable decision making and, in turn, contributing to better service delivery and development outcomes.

[183] Just as political governance as a theme cannot be considered independently from other areas of development assistance, so too are the various sub-components of political governance inter-related. The ability of parliamentarians to do their job is influenced by a solid policy grounding (political parties), advocacy from their constituents (civil society), access to relevant and accurate information (public sector and media) and underpinned by a reliable and accepted electoral system (electoral support).

[184]   As noted in paragraph 11, the environments for political governance aid vary across countries and change over time. In broad terms, at any one point these environments can be *favourable*, *neutral* or *unfavourable* to political governance aid, both generally and specifically from Australia; and they can change quickly, creating opportunities and throwing up unexpected barriers. This necessitates a flexible approach that takes into account local circumstances and adjusts to changing situations.

[185]   Australia must take a realistic approach to its political governance assistance and should take as its starting point its partners' institutions, organisations and values and build on those, rather than impose institutions, organisations or values from outside. This support should be incremental and framed around the question of what is possible, rather than what is ideal. This reflects the idea of 'good enough governance' and having a practical and realistic approach which sequences work for the best results in the circumstances. 'Good enough governance' principles address the local governance challenges rather than replicating successful western models regardless of culture, capacity or context. [22] 'Good enough' does not mean settling for second best but, rather, having a practical approach to governance, which strategises and sequences work to give the best results in the circumstances. It is also important that 'do no harm' principles are applied. To be effective, political governance support needs to be sustained and long term.

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22   Grindle, M. (2007) 'Good Enough Governance Revisited'. *Development Policy Review* 25(5): pp. 533–574.

[186] The Review Team's consultations in PNG, and in particular the consultations in Alatau, emphasised the critical role that sub-national governance plays in service delivery. It is important that a focus on political governance is not reduced to central or national political governance, but rather includes a consideration of sub-national, regional and local governance. The devolution of political power to the sub-national level occurring progressively in Indonesia, PNG and in other parts of the region represents new challenges for providers of political governance aid.

[187] AusAID has partnered with the Commonwealth Local Government Forum, which works to promote and strengthen democratic local government across the Commonwealth and to encourage the exchange of best practice through conferences and events, programs and projects, and research and information. The Forum works with national and local governments to support the development of democratic values and good local governance. In the Review Team's consultations with the Alatau and Huhu local-level government they were advised of the twinning support from the Noosa City Council, which was seen as a beneficial exercise in exchanging information on local service delivery.

Recommendation 10

[188] **The Review Team recommends that the providers of political governance support consider the needs of sub-national institutions and elected representatives in the Asia-Pacific region.**

[189] Due to the nature of political governance support, assessments of its effectiveness have proved to be very difficult. There has been comparatively little work on the monitoring, evaluation and assessment of parliamentary, political party and electoral support work. The very nature of these activities makes such assessments problematic as improvements are often long term and gains incremental. There are often numerous intervening variables in this field and, accordingly, issues of attribution and cause and effect that make an assessment of performance difficult.[23] In this complex area, it is difficult to assess what success looks like—this, in turn, impacts upon how it can be measured. There has been some work completed on establishing parliamentary indicators, however, indicators must be used with great care, particularly when taking a political economy approach, where what might work in one country does not in another.[24] Despite these difficulties, it is important to be able to measure the effectiveness of support in this area.

Guiding principle 8

Providers of political governance support should:

- seek continuously to improve the quality and impact of their work
- monitor and evaluate their work, seek feedback and adjust it to changing circumstances.

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[190] In the course of its consultations, the Review Team found that examples of successful political governance support work were often characterised by strong institutional and personal relationships, by a practitioner focus, mentoring, long-term engagement and in-country support.

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23 See, for example, Governance and Social Development Resource Centre (2008) *Help Desk Research Report: Monitoring and Evaluation of Parliamentary Strengthening and Electoral Support Programs.*

24 See for example, Arndt, C. and C. Oman (2006) *Uses and Abuses of Governance Indicators.* Paris: OECD/Development Centre.

[191] To this end the Review Team was encouraged by instances of effective mentoring, especially where parliamentary officers or retired parliamentarians had willingly identified with their counterparts in developing countries. The AEC has been very successful in adopting various mentoring styles to cultivate better electoral systems.

[192] The Review Team's advice, however, is not to formalise the mentoring model but to let it evolve. The model's success depends on the selection of appropriate personnel. An existing aid agency such as AVI could be encouraged to offer parliamentary strengthening or political governance work as one of its service disciplines and an organisation such as CDI or the Council proposed in paragraphs 216 and 217 could access these volunteers if they matched a particular mentoring role. The overriding criteria for this service option would always be sustainability and effectiveness and the selection of appropriate personnel (see Recommendation 12).

[193] The Review Team's consultations illustrated the impact, both positive and negative, of leadership in political governance. The Review Team was impressed by AusAID's recognition of the importance of leadership, elites and coalitions for successful long-term development and supports this emphasis.

Recommendation 11

[194] **The Review Team recommends that AusAID continue its leading work on leadership, elites and coalitions given their importance in achieving effective development outcomes.**

Guiding principle 9

Recognising that long-term institutional and personal relationships lie at the heart of successful support and institutional capacity building, providers of political governance support should:

- employ best practice advising, training, twinning and mentoring

- when advising and mentoring, draw on carefully selected, experienced and trained practitioners (e.g., current and former MPs and parliamentary staff) from Australia or the region

- deliver training in-country or in-region, unless there are compelling reasons to deliver it in Australia

- when engaged in twinning arrangements, build long-term commitment and consistent engagement

- minimise formal delegation visits

- use local practitioners wherever possible.

Promoting gender equality

[195] Lessons learned on promoting gender equality indicate that more attention to gender considerations needs to be made in national development strategies, including building in gender indicators and collecting and disseminating sex disaggregated data to support this. Incentive systems, performance measures and internal accountability systems need to be reviewed to ensure they support responsiveness to women's needs, and the relevance of gender equality to improved outcomes must be demonstrated to staff.

[196] Some countries have introduced quotas for women in parliament in an effort to increase representation. While quotas can help to increase the numbers of women in parliament they need to be part of a broader program of support, including

training, coalition and network building and leadership development. Quotas do not always equate to greater influence of women or consideration of women's issues and needs; they can impose a false ceiling on the number of women entering politics and they can often delegitimise the role of women in parliament. Some countries, such as Rwanda, have implemented parallel systems of women councils and women-only elections.

[197] Support for women in politics extends to political parties, elections and civil society. The legal framework—including constitutional provisions, electoral laws and temporary special measures and internal party structures—need to be reviewed to promote women's participation. Women candidates require support during elections, including access to media, financial support and security. Electoral management bodies should be gender sensitive and have women staff visible. Access needs to be provided to women voters, obstacles to voter registration need to be addressed and civic/voter education should be appropriately targeted, including specifically for men to assist in gender understanding.

[198] Strengthening partnerships between civil society and political parties and parliament; engaging youth as a way to change political attitudes and behaviour; and increasing rural and grassroots outreach are other avenues to promote gender equality.

[199] Despite internal and external efforts to improve the role of women in public life, progress has been slow and there is little to show for this work. Recognising these difficulties, it is important to continue to address gender issues through political governance support.

[200] The Review Team supports the emphasis in the aid program on promoting gender equality and encourages continued effort to improve gender equality in the political governance program through such means as developing women's leadership and AusAID's partnership with UNIFEM.


Guiding principle 10

Providers of political governance support should:

- promote gender equality and the voices of disadvantaged groups

- provide for greater participation by women in decision making at all levels, which is both important in its own right and an essential part of overcoming gender inequalities in all other aspects of development

- recognise that disadvantaged groups often have the most difficulty in having their voices heard.

Parliamentary strengthening

[201] The review consultations reinforced the importance of parliament in the development process and the many challenges facing parliaments in the Asia-Pacific region, including lack of capacity and resources, language problems, problems with leadership, lack of political will for reform and lack of national unity. The Review Team also noted that the high turnover of parliamentarians, particularly in some Pacific Island states, has implications for the design of parliamentary strengthening activities.
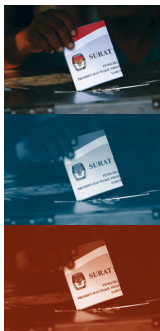
[202] The Review Team's main findings on parliamentary strengthening support are that it should:

(a)   be based on a good understanding of the political context and wider political system

(b)   address causes of weakness rather than symptoms

(c)   be tailored to the local context, respond to local demand and build local ownership

(d)   be neutral

(e)   encourage South-South cooperation

(f)   strengthen understanding of the role of opposition as well as of government

(g)   use peers and practitioners, including current and former parliamentarians and parliamentary staff, for networking, mentoring and twinning

(h)   be long term and flexible

(i)   focus on issues of particular interest to counterparts

(j)   not be viewed in isolation from other areas such as political party strengthening

(k)   build links between civil society and parliament

(l)   help parliaments develop budgets and strategic plans

(m)   consider the infrastructure, information and research service needs of parliaments

(n)   be well coordinated.

Recommendation 12

[203] **The Review Team recommends that:**

(a)   AusAID formalise its liaison on political governance support with the Federal Parliament, particularly the Commonwealth Parliamentary Association, and establish regular meetings for dialogue and information exchange.

(b)   Political governance support, particularly parliamentary strengthening programs, should place more emphasis on the use of effective mentoring and longer term exchanges.

(c)   AusAID approach Australian Volunteers International with a view to its taking responsibility, in consultation with other bodies such as CDI and the Commonwealth Parliamentary Association, for the selection of appropriate and experienced volunteer practitioners to participate in political governance activities as one of its service disciplines.

(d)   AusAID participate in and support relevant networks, including the Donor Coordination Network on Parliamentary Strengthening.

Political party strengthening

[204] In the view of the Review Team, a well-functioning political party system is a prerequisite for democracy. Political parties are the main channel between citizens and political decision makers. They also formalise the consensus-making that is essential for effective decision making and executive scrutiny. They are essential for both the emergence and consolidation of democracies and indispensable from a good governance perspective. However, in many developing countries they are not functioning well and lack of transparency in financing is a recurrent problem. They are often weak because they may have deep-rooted political, structural and institutional problems.

[205] In the course of the Review Team's consultations in PNG and Timor-Leste, the need to strengthen political parties was a recurrent theme. In both these countries

(and in much of the developing world) political parties lack a coherent policy or ideological foundation, and are often based around leadership or personalities rather than a shared party vision. This lack of policy and ideological base impacts negatively on the ability of political parties (which then flows on to parliaments and parliamentarians) to develop policies and influence effective executive decision making.

[206]   Following the in-country visits and consultations with international bodies, including NED and UNDP, the Review Team believes an essential part of parliamentary development in countries without a culture of political parties is the sensitive promotion of the concept of political philosophy and policy differentiation as a basis for political organisation.

[207]   Democratic practice is weakened when parliamentarians are polarised on provincial, parochial or personality frameworks. *Wantok*-style loyalties influence the choices voters have in determining the economic or social direction their country will take.

[208]   Donor support for political parties has been difficult for a number of reasons. There may be the perception that donors are *interfering* with sovereign national politics through such support. This support also runs the risk of contributing to *fragmentation* (the establishment of more political parties), *polarisation* (widened and deepened political conflicts) and it may contribute to *entrenching the ruling elite* in place.[25]

Recommendation 13

[209]   **The Review Team recommends that Australian support for political party strengthening should foster political parties on the basis of political philosophy and policy differentiation. Support for political party strengthening:**

    (a)   **should be ongoing and not just centred around electoral events**

    (b)   **must be based on a thorough analysis of the political situation in the partner country and assistance plans must factor in local conditions**

    (c)   **should be based on partnerships: party leaders in recipient countries should be the ones to identify the needs of their political parties, not their sister parties or the international community**

    (d)   **should be mainstreamed to democracy assistance as political parties do not operate in a vacuum—party support will have to take different routes in authoritarian, semi-authoritarian, newly democratised and more established democracies and there is a need to understand under what legal conditions, electoral system and parliamentary system these parties operate**

    (e)   **must be based on close cooperation between governmental donor agencies and party-based organisations as well as between various donors and foundations working in the same country**

    (f)   **should make resources available to representative parties, including opposition parties, on an equitable basis—this should include access to training, information and research services, general party operational support, and media and public relations support and security as required**

    (g)   **might also include assistance to agencies engaged in party registration and regulation (e.g., on regulatory reform).**

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25   Amundsen, Inge (2007) *Donor Support to Political Parties: Status and Principles*. CMI Report R 2007:6. pp. 4-6.

Electoral support

[210] AusAID has a strategic partnership with the AEC. The review confirmed that the AEC has a very good international reputation and has been achieving good results in strengthening electoral systems in the Asia-Pacific region over a long period. The AEC's reputation was borne out during the Review Team's consultations in PNG and Timor-Leste. Key success factors include building institutional capacity through long-term relationships, networks, cooperation with other donors and attachments/mentoring. The AEC is one of the founding agencies of BRIDGE (Building Resources in Democracy, Governance and Elections) which aims to improve the skills, knowledge and confidence of election professionals and key stakeholders, and which is the most comprehensive professional development course available in election administration worldwide.

[211] Australia has moved to providing ongoing cyclical electoral support at both national and sub-national levels, in countries such as PNG, Indonesia and Timor-Leste. This is proving effective, but desired outcomes are gradual and there is more work to be done.

[212] The Review Team's main findings on electoral support are that it:

(a)   should be ongoing, not just centred around national electoral events

(b)   should be sensitive to local socio-cultural settings, and understand country context

(c)   must be 'conflict sensitive'

(d)   should be based on needs assessments

(e)   should recognise the importance of political aspects (fair political environment) and not just technical aspects of electoral assistance

(f)   is an integral component of democratic transition and governance and is often a key entry point for broader governance efforts

(g)   should seek to ensure that the electoral management body has independence, autonomy, capacity, operates transparently and that its decisions are respected

(h)   should use appropriate and sustainable information and communication technologies for voter registration and elections

(i)   should recognise that voter and civic education is important, particularly for disadvantaged groups

(j)   should acknowledge that use of international and domestic election observers increases 'trust' in election results, particularly in fragile states

(k)   should recognise that the use of domestic election monitoring and observers can build a stronger civil society and broader human rights

(l)   should seek participation and coordination of all relevant stakeholders (e.g., the electorate, civil society, domestic observers, media, political parties, police, security forces)

(m)   should be well coordinated among donors.

Recommendation 14

[213] **The Review Team recommends that AusAID's electoral assistance continue to focus on long-term electoral cycle issues, drawing on the expertise of the AEC and working closely with in-country electoral management bodies to strengthen their capacity and sustainability.**

Australian coordination

[214] The Review Team has studied the various attempts by some countries to coordinate their national efforts in political governance strengthening. It is attracted to the multi-party institutes such as the NIMD in the Netherlands, the Parliamentary Centre in Canada and the WFD in the United Kingdom. Each of these is well-funded by its respective government, focuses primarily on political governance, provides training and support programs itself, funds other organisations such as political parties to undertake party strengthening work, commissions research and coordinates and oversees its respective country's activities in political governance. Interestingly, most of these organisations grew out of smaller, more focused bodies carrying out part of their current array of tasks.

[215] The WFD, Parliamentary Centre and NIMD play a role, either alone or working as part of a broader consultative group, to coordinate political governance activities.
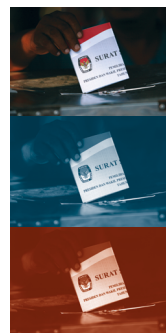

Box 6: The Westminster Foundation for Democracy's role in coordination

In 2008, the WFD created the Westminster Consortium for Parliaments and Democracy, following the recommendation of a 2007 review of DFID's parliamentary strengthening program which highlighted the need for greater coordination. This new WFD-led entity was established to allow much closer coordination between the international programs of the House of Commons, National Audit Office and Commonwealth Parliamentary Association (United Kingdom Branch). Working closely with them and others, such as the Universities of Cardiff and Essex, the Reuters Foundation and the International Bar Association, the WFD is the United Kingdom's most important source of information and expertise in international parliamentary strengthening.

Box 7: Canada's approach to coordination

In 2005, the Democracy Council was established in Canada as an informal forum with the aim to promote coordination and the sharing of good practices on democratisation overseas through dissemination of information among participants and mutual learning. The Council is co-chaired by DFIAT and CIDA, and includes Crown Corporations, Elections Canada, the International Development Research Centre, the Forum of Federations, the National Judicial Institute, the Parliamentary Centre, and Rights and Democracy. The Democracy Council organises Annual Democracy Dialogue and other key events to bring together government practitioners, Canadian organisations, academics and international experts working on international democratic development to explore the challenges and opportunities for supporting democracy from a policy and programming perspective.

In 2007, the Standing Committee on Foreign Affairs and International Development presented the eighth report Advancing Canada's Role in International Support for Democratic Development to improve coherence and coordination of democratic development assistance both within donor countries and on a multilateral basis. As a result of this paper the Office for Democratic Governance at CIDA was created in October of 2006 to enhance the effectiveness of Canada's aid in democratic development by increasing the engagement of Canadian expertise, promoting a coordinated approach to CIDA and the Government and expanding the base of knowledge and best practices in Canada and around the world. Additionally, DFAIT has established a Democratic Transitions Fund within the Glyn Berry Peace and Security Program to support Canada's diplomatic efforts in support of democracy.

Recommendation 15

[216] **The Review Team recommends that a mechanism be established in Australia to improve information sharing and coordination of Australia's support for political governance. The Review Team further recommends that AusAID consider two main options for doing this: using CDI (noting that this may require changing CDI's status); or setting up a small, representative advisory group or council.**

[217] The Review Team puts forward two options on how this coordination role could take place:

Option 1—Enhanced CDI function

Rather than establishing a new organisation in Australia, one option is to expand the role and governance structure (and perhaps change the name) of CDI to address some of these tasks and to increase the depth and reach of its own activities. The Review Team notes that the Australian Government has already disbanded the large and unwieldy Consultative Council servicing the CDI. Should the CDI take on this new and expanded role, the Review Team recommends that it be an independent institute or foundation with a board comprising representation from AusAID and other Australian government departments, the Australian Parliament and a university research body engaged in governance research. It envisages that a new institute or foundation would be free to attract funds from sources other than government and that its establishment would be by a tender process.

There may be a potential conflict of interest if CDI was perceived as playing a role of collecting information or coordinating work that could be potentially carried out by other service providers (e.g., UNDP or other institutions). It would be important to have a clear distinction between the delivery arm of CDI and any oversight, coordination or clearing house role if this option were to be selected. The relationship between the board and the service delivery arm of CDI would need to be carefully considered to avoid the corporate governance issues that characterised CDI's initial Consultative Group and Consultative Council.

Option 2—Independent council

The second option would be to form a council or consultative body, based on a model similar to the Canadian Democracy Council and the Westminster Consortium for Parliaments and Democracy.

This council or consultative body would act as forum for knowledge and information sharing, dialogue, expertise sharing, networking, collaboration and— to avoid duplication of activity—could comprise a broader membership than the board proposed in Option 1.

Members could possibly include representatives from the following fields:

- Australian Government—Minister, DFAT, AEC, AusAID etc.
- Parliament of Australia:
    o   CPA and/or IPU (or by way of their representation in the Commonwealth Parliament)
    o   political parties
    o   state or territory governments involved in parliamentary support.
- Academic institutions—for example, CDI, La Trobe University, Griffith University.
- Other interested regional organisations—for example, the Pacific Islands Forum.

The council could elect a smaller more manageable executive committee or board which could meet more regularly (say quarterly) and be responsible for oversight and setting directions. If required, sub-committees and/or working groups could be formed to work on thematic or country/regional issues.

This council would require a secretariat to organise meetings, record minutes, organise and maintain a database of donors, grantees, programs, country, regions etc. The Secretariat would also operate as a clearing house to collect and distribute information.

CDI's role and work program could be expanded to perform such a function, or a government department or agency could undertake this work on a permanent basis. It is recognised that for CDI to carry out this role they would require additional funding, otherwise it would be drawn from existing programming allocations.

It is not expected that the secretariat or the council would require full-time staffing.

Regional and international coordination

[218]   To promote regional and international coordination the Review Team supports more targeted engagement on political governance with key donors, including UNDP. Regionally, the IPD, BDF and Pacific Islands Forum are mechanisms for greater coordination.

[219]   The Review Team also suggests greater use of existing and emerging political governance networks and databases. The recently established informal donor working group on parliamentary support, coordinated through WBI, DFID and UNDP (and to which AusAID has supported its information collection exercise) is one such group.
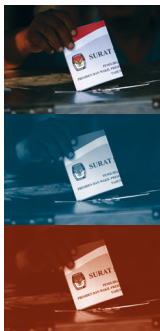
Recommendation 16

[220]   The Review Team recommends that AusAID engage, on a targeted basis, with key donors such as the United States, the United Kingdom, Netherlands, Sweden, Germany, Canada and New Zealand on their political and/or democratic governance programs and approaches.

Recommendation 17

[221]   The Review Team recommends that AusAID use its existing relationship with UNDP to improve the coordination and delivery of respective political governance programs to maximise their effectiveness.

Recommendation 18

[222]   The Review Team recommends that existing and emerging donor, parliamentary strengthening and democracy support networks and databases be used to promote coordination and information sharing on a regional and international basis.

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