



The Democracy Bureaucracy

The Infrastructure of American Democracy Promotion

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by

Thomas O. Melia
Institute for the Study of Diplomacy
Walsh School of Foreign Service
Georgetown University

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Comments and corrections are welcome.

Contact author with comments at: tom3@georgetown.edu

I come from a country where, as late as mid-1989, while all around us totalitarian icebergs were cracking and thawing, the stupid, repressive regime remained strong. Together with other people of a similar mindset, I was in prison. Yet by the end of that same year, I was elected the president of a free Czechoslovakia.

Seemingly unshakable totalitarian monoliths are in fact sometimes as cohesive as proverbial houses of cards, and fall just as quickly.

Vaclav Havel, *Washington Post*, June 15, 2005

Introduction

George W. Bush has elevated the long-standing American interest in the spread of democracy worldwide to an urgent national security objective by integrating it with the fight against terrorism. President Bush, Secretary of State Condoleezza Rice and other senior U.S. officials have spoken with increasing frequency and conviction since September 11, 2001 of democracy promotion as critical to rooting out one of the major sources of anti-American terrorism – by ridding the world of the dictators who either support terrorism or provoke it by their repression. Indeed, with his Second Inaugural Address, Bush effectively altered the meaning of the bureaucratic short-hand “GWOT” from a Global War on Terrorism to a more encompassing Global War on Tyranny.

Provided that adequate resources (material, intellectual and political) are to be marshaled for such an ambitious undertaking, this is either a good thing or a necessary thing. It would be merely good if the world’s most powerful country could make the world a freer, more peaceful place. If, on the other hand, the President’s analysis is correct – that non-democracies, whether of the pro-American or the anti-American varieties, are breeding grounds for murderous hostility in a world where weapons of mass destruction are portable or easily manufactured – then any U.S. government would be derelict in its duty if it did not set out to promote democracy worldwide.

Unfortunately, the rhetorical conflation by the Bush Administration and its allies of the war in Iraq and democracy promotion has muddied the meaning of the democracy project, diminishing support for it at home and abroad. Contrary to popular perception, and some revisionism by Administration officials, the U.S. has never launched a foreign military action in order to ‘impose democracy at the point of a bayonet.’ The invasion of Iraq – like that of Afghanistan, and the earlier cases of Germany and Japan in World War II, Noriega’s Panama and some others – was undertaken for altogether different reasons. As in these other cases, the removal of a dictatorial regime has subsequently opened the possibility of the establishment of a democratic system – and, to be sure, considerable resources and effort have been expended toward that end in Iraq since the ouster of Saddam Hussein. But *post facto* rationalization of the Iraq action as democracy promotion, in the absence of the promised weapons of mass destruction and continuing uncertainty about pre-war Iraqi links to international terrorism, should not obscure the fact that Iraq is a case of post-conflict democratization (albeit a conflict initiated by the U.S. and one in which the U.S. remains, effectively, an occupying power). Some of those opposed to the invasion of Iraq, Americans and others, appear to have been alienated from democracy promotion more generally and this is to be regretted.

This is not to suggest that President Bush and his team are not genuinely committed to democracy promotion as a general proposition today – whether they came to this view before, during or after the invasion of Iraq. It has indisputably become a central theme of U.S. foreign policy, even while officials try to integrate this objective into the hierarchy of American interests.

This paper is a description of the infrastructure available to President Bush (and his successors) to advance this agenda. As elaborated in the pages that follow, there exists today – and mostly existed at the start of the present Bush presidency – a rather dispersed community of several thousand men and women, inside and outside of the U.S. Government, working in an array of government agencies, multinational bodies and private organizations, centered in the U.S. though extending through a variety of multinational networks around the globe – who have in the past 20 years or so developed experience (and in some cases real expertise) in programs and policies that can contribute to democratic development in other countries.

There is, however, no “command and control center” of the democracy promotion community, no single place where overarching strategy is developed or coordinated, even within the sub-community that is the United States Government. This may be due to the nature of the subject, or a reflection of the character of the actors. Perhaps the unique operating environments that arise in each case mean that a new configuration of players must be assembled. Though efforts are currently underway to bring greater strategic coherence to the effort, and the bureaucratic nomenclature has been modified to underscore the intention to do so, it may well be that political development cannot be controlled or directed in the way that military or diplomatic undertakings often can be.

Moreover, there does not actually exist anywhere an agreed “general theory of democratization” to inform such efforts. Experts disagree about whether democratization is a developmental process akin to economic and social development, of the kind that aid agencies typically try to nurture over long horizons (or that we can describe looking back on two centuries of American history), or a political engineering process more amenable to diplomatic or other “quick-burst” interventions, such as drafting a constitution. Another way to consider the same issue is ask whether the obstacles to democratization are societal (and thus requires action, education, or assistance that touches much of a country’s population) or whether the obstacles are the relative handful of people in power in autocracies (who need to be converted or removed)? Underlying these choices are assumptions regarding the universal utility of democratic forms of governance and – even if one believes that all societies can become democratic – the degree to which the process can be jump-started by outside actors.

Starting in the modern period with Joseph Schumpeter’s critical 1942 work, *Capitalism, Socialism and Democracy*, many thoughtful people have examined fundamental questions about democracy (what it is and where it comes from) and latterly about democratization (what one can do about it). Yet there is remarkably little settled science about what really works in democracy promotion. As one of the most esteemed scholar-practitioners in the field wrote recently:

It is time for us all to confess that our understanding of regime change and the role that outside actors can play in fostering it is frightfully underdeveloped and poorly accumulated.

Government officials and outside analysts roll out their favorite analogies – postwar Germany today, East Timor tomorrow. Practitioners who have worked in countries undergoing regime change have a wealth of on-the-ground experiences.

But this mishmash of metaphors and anecdotes has not added up to a model for how to change regimes effectively.¹

We should be able to do better. Now that President Bush has elevated democracy promotion to the forefront of America's national security policy, the topic may receive the careful attention it deserves. The paper that follows is intended to provide a basis for discussion and deliberation about how best this could be accomplished. It describes the "infrastructure" that is available to a President today to advance his democracy agenda, and reviews some proposals now pending that could reshape these institutions and programs. In addition, this paper raises several issues relating to whether and how the United States could equip itself to be more effective in the promotion of democracy worldwide.

¹ Michael McFaul, "Wrong Time to 'Stay the Course,'" *Washington Post*, August 24, 2003

Infrastructure

President George W. Bush has elevated the promotion of democracy worldwide to the Pantheon of American foreign policy goals, to the delight of some and the consternation of others. As he famously said in his Second Inaugural address last January:

We are led, by events and common sense, to one conclusion: the survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world...

So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.²

Though powerfully stated and widely discussed, the policy is not, in fact, as dramatic a departure as many (supporters and critics alike) have claimed – save for the very important abrogation of the “Arab exception” that governed previous efforts to foster democracy abroad, exempting the region from much of the discourse and activity in this realm. Otherwise, the Bush Administration’s democracy promotion posture builds neatly on three decades of growing bipartisan consensus and the incremental development of institutional mechanisms by successive administrations of both parties to advance the policy.

With a few notable exceptions, the present Administration has in its first five years worked mainly with the tools it found upon arrival in Washington in January 2001 – enlarging appropriations, elevating the issue’s place in the national security hierarchy, adding scope and some depth to existing efforts, especially in the Arab world.

The most significant – and often underappreciated – change in the U.S. posture on democracy promotion abroad may be found in the statements and actions of the most senior U.S. officials, including President Bush and now Secretary of State Condoleezza Rice. They speak more directly, more clearly and more often to issues of democracy promotion than their predecessors. To be sure, those predecessors did also speak to the issue,³ and were at times quite active and forceful (and successful) in advancing democratization goals. But the present Administration, in its second term, has clearly raised the rhetorical bar to new heights. This high-level diplomatic face of the American democracy promotion policy – the “bully pulpit” dimension that is reflected most vividly and importantly in the way an American President speaks in public and spends his time – has in turn given new visibility and importance to diverse long-standing efforts.

² Inaugural address, January 20, 2005; <http://www.whitehouse.gov/news/releases/2005/01/print/20050120-1.html>

³ For a succinct review of the politics of the early formulation of President Clinton’s version of this policy, see Douglas Brinkley, “Democratic Enlargement: the Clinton Doctrine,” *Foreign Policy*, Summer 1997), pp. 111-127.

The pre-existing assets the Bush Administration inherited that are engaged wholly, or in substantial part, in democracy promotion, include:

- the grant-making National Endowment for Democracy and its affiliated “family” of program-implementing institutes (National Democratic Institute, International Republican Institute, etc) – *along with overlapping and inter-locking global networks of democratic political figures, NGO leaders, religious, business and labor leaders, human rights defenders and activists to whom they provide support and leadership (both formally and informally);*
- scores of other non-profit organizations (including prominently Freedom House, the Carter Center, the Asia Foundation, Internews, ABA-CEELI, the U.S. Institute for Peace) who seek to work mainly as *grantees* of the government;
- scores of non-profit and for-profit enterprises alike who operate mainly as government *contractors* in democracy promotion (including such major players as IFES, RTI, MSI, Chemonics, Development Associates, Development Alternatives, and professional groups such as the National Conference of State Legislatures, the International City Managers Association, and diverse university centers);
- the U.S. Agency for International Development, wherein “democracy and governance” emerged in the 1990s as a key pillar of development strategies, and which allocates about \$1.3 billion to “D & G” activities in the current fiscal year, whose major internal actors include –
 - Office for Democracy and Governance, and
 - Office of Transition Initiatives;
- the State Department, which of course is engaged in virtually every country in the world analyzing and reporting on political developments and in some cases engaging in advocacy or other diplomatic activity to effect outcomes. In addition to embassies and political officers worldwide, the Department has major centers of activity in –
 - Bureau of Democracy, Human Rights and Labor Affairs (DRL), which has become a steadily more significant grant-making, policy-making and diplomatic actor in each of the past ten years or so,
 - Special Coordinator for Assistance to Europe and Eurasia⁴ who plays a key role managing spending on democracy efforts, *inter alia*, and
 - Bureau of Educational and Cultural Affairs, which is responsible for an array of exchanges and scholarship programs that are often integrated into country strategies to affect political development;
- international broadcasting such as Voice of America, Radio Free Europe, Radio Liberty, and Radio Marti;⁵

⁴ In mid-summer 2004, the previously separate coordinators for the central and eastern European countries addressed in the SEED Act (Support for Eastern European Democracy) and the countries of the former Soviet Union addressed in the FSA (Freedom Support Act), were brought together under one ambassador-level Coordinator in the Bureau for European and Eurasian Affairs.

⁵ See annual report of the Broadcasting Board of Governors at: <http://www.bbg.gov/reports/04anrprt.pdf>

- complementary international programs managed by the Department of Justice (in the areas of “rule of law” and “administration of justice”) and the Department of Labor (in worker rights issues);
- Defense Department functions, including the work of civil affairs units in the Armed Forces and International Military Education and Training (IMET) programs, as well as the array of other international relations managed by the U.S. military which are inextricably part of the American democracy promotion effort;
- the U.S. Intelligence Community, which has always been a part of the mix, operationally and analytically, though the extent of its role, and the degree to which it works in harmony with the others, is not clear to most observers.

A comprehensive examination of the relevant infrastructure available to U.S. policy-makers for democracy promotion abroad should also include the inter-governmental bodies that have committed to uphold democratic standards among their members. The most substantial are two in which the U.S. is a member state, the **Organization of American States (OAS)** and the **Organization for Security and Cooperation in Europe (OSCE)**, which each have established institutional mechanisms (and allocated funding and personnel) to give form and credence to those commitments.⁶

Other international organizations in which the U.S. is influential and active and that address issues of democratization, even if they sometimes couch their activity in elliptical terms such as “good governance” or “accountability mechanisms,” include the **World Bank** and the **United Nations Development Program**. Bodies that do not include the United States, but with whom the U.S. cooperates in various ways on these issues include (roughly in order of their significance to democracy promotion) the European Union, the Council of Europe, the Commonwealth, and the African Union.⁷

Moreover, other major donor countries and multilateral development agencies have in a variety of ways emulated the U.S. assistance model that emerged after the Cold War by making democracy promotion a theme of their aid programs, as well – thus bringing complementary financial resources, diplomatic activity and expertise to the field. The United States at times exerts considerable influence over the investments made of these non-American resources, often through leading by example or by attracting their funding to enlarge U.S.-initiated efforts.

Other institutional architecture available at the outset of the present Administration included the vast body of international law – treaties and declarations – codifying aspects of democratic governance and human rights norms (starting with the

⁶ The organization structure and the activities of the OSCE’s Office for Democratic Institutions and Human Rights (ODIHR) can be reviewed at: <http://www.osce.org/odihr/13406.html> For the work of the Office for the Promotion of Democracy, within the Department of Democratic and Political Affairs at the Organization of American States (OAS), see OAS website: <http://www.oas.org/main/main.asp?sLang=E&sLink=../documents/eng/structure.asp>

⁷ For a comprehensive description of such mechanisms and programs available to U.S. policy-makers, see Theodore J. Piccone, “International Mechanisms for Protecting Democracy,” chapter in *Protecting Democracy: International Responses*, edited by Morton H. Halperin and Mirna Galic, Council on Foreign Relations Book (2005) pp. 101-126.

Universal Declaration of Human Rights, adopted by the United Nations General Assembly in 1948), along with the institutional venues for review of country performance according to these standards (such as in the *UN Human Rights Commission*) or for undertaking specific assistance efforts (such as the Electoral Assistance Unit, attached to the office of the Under Secretary-General for Political Affairs).

Diplomatic initiatives the Bush Administration inherited and continued include the *Community of Democracies* (COD), an effort launched by Secretary of State Madeline Albright in 2000 to convene regular meetings at the level of foreign ministers, to explore cooperation in the international arena on the basis of shared political values. Two concrete expressions of this still-nascent community have been the launching in September 2004 of a formal caucus of democracies in the UN system, and the creation (on July 4, 2005) by the UN Secretary General of a *UN Democracy Fund* that would finance certain “political” activities with governments or NGOs, outside the purview of the UN Development Program.

Distinct but related is the *World Movement for Democracy*, a global non-governmental effort spear-headed by the National Endowment for Democracy that brings NGOs, democratic political leaders, government officials and human rights activists from around the world into regular communion with one another. This Movement is not just an international networking opportunity for democracy activists, scholars and political leaders; it may be the most broad-ranging and influential. The World Movement for Democracy also serves in some respects as the non-governmental global shadow movement seeking to engage governments in the context of the Community of Democracies, lobbying them to be more active in supporting democratization.

Another element of operational infrastructure comes in the form of privately funded activity (most of which appears to be captured in the work of NGOs that are meanwhile principally reliant on public funding – which means the private funding does not usually lead to distinct or alternative strategies or activities). The principal exception in this regard is the *Open Society Institute*, a global enterprise that is almost entirely private in its composition and funding. This is a network of 31 fairly autonomous country-specific foundations financed by the American philanthropist George Soros. Over the past fifteen years, Soros has donated about \$500 million per year to democracy, human rights and civil society strengthening programs – amounts which equaled or exceeded the official U.S. Government investment in comparable activities until about four years ago. The OSI foundations, and the parent organization in the U.S., pursue a broader agenda than strictly democracy promotion, but they are active and visible players, working often in tandem with U.S. Government efforts and publicly supported NGOs, and the majority of OSI’s activity revolves around the political process. Thus most of what the foundation does – from policy development through think tanks to advocacy and public debate through NGOs to monitoring of governments through the media and watchdog groups – can reasonably be considered democracy promotion.⁸

⁸ See the website at: <http://www.soros.org/>

Other, smaller actors that are entirely private in their financing include the *International Center on Nonviolent Conflict*⁹, the *Foundation for the Defense of Democracies*¹⁰, and others.

The involvement of non-American business people (and corporations) as funders of DG activities is a poorly documented but growing phenomenon. The Russian Mikhail Khodorkovsky is the most obvious – and problematic – example, though there are other Russian, Turkish, Japanese and American philanthropists launching centers or contributing to better established organizations. Cases of obvious self-interest notwithstanding, local philanthropy has begun to play a greater role in democratization efforts around the world, though it is dwarfed overall by the funding provided from the U.S. and other Western governments.

The role of strictly private political consultants (including opinion researchers, media advisors and other specialists) in shaping the attitudes and behavior of key political leaders in other countries is also little known and seldom discussed. Even in some of the most impoverished countries in the world, where the democratic character of the political system is in play, American and other political consultants are hired by party leaders and candidates (or their financial backers) to perform many of the services they provide to political candidates and leaders in established democracies. Many of these political consultants see this international work as a complement to seasonal employment in their home countries, and often charge fees higher than they would command at home. No one knows whether the advice they are providing is reinforcing or contradicting the advice and information being imparted to the same parties and candidates by democracy promoters.

Other private/public non-U.S. actors would include *International IDEA*, an inter-governmental organizational for analysis of democratization issues based in Sweden, and the *Club de Madrid*, a gathering of retired democratically-elected heads of state and government based in Spain.¹¹ The *German Marshal Fund of the United States* may also belong in this category of hybrids, as its original financing came from the German government, though today it operates largely as a self-sustaining think tank, an advocacy organization and an assistance provider.¹²

Strictly private actors in this field *could* also include the human rights organizations, such as Amnesty International or Human Rights Watch, but they are not generally included because (a) they mostly do not see themselves as part of the “democracy promotion” community, and (b) their advocacy work is only incidentally about building capacity in counterpart organizations abroad, which is the distinctive aspect of much of the other NGOs discussed herein.

⁹ See the website at: <http://www.nonviolent-conflict.org>

¹⁰ See the website at: <http://www.defenddemocracy.org>

¹¹ See their websites at, respectively, <http://www.idea.int/about/index.cfm> and <http://www.clubmadrid.org/cmadrid/index.php?id=1>

¹² See the website at: <http://www.gmfus.org>

Finally, there are a growing number of centers of research, discussion, commentary and teaching on democracy promotion strategies and tactics, at universities and think tanks and in publications across the country. Many centers of study about particular countries or regions have taken on democracy themes in recent years. Among those dealing with the issue on a global basis, the most prominent include the “Democracy and Rule of Law Program” at the Carnegie Endowment for International Peace in Washington, led by Thomas Carothers; the writings of Larry Diamond and Mike McFaul at Stanford University’s Hoover Institution; a raft of publications produced by Freedom House, the National Democratic Institute, IFES (formerly the International Foundation for Elections Systems); the *Journal of Democracy*, and USAID’s Office for Democracy and Governance. The U.S. Institute for Peace, an autonomous, federally-funded think tank and occasionally program-oriented agency, is becoming a member of the community, as well. The Center for American Progress, a new think tank for the “progressive” camp, in 2005 created a program on “Democracy and Public Diplomacy.”

The result of this range of activities and initiatives is that there exists today – and mostly existed at the start of the present Bush Administration – a rather decentralized, cooperating community of several thousand men and women – inside and outside of the U.S. Government, working in an array of government agencies, multinational bodies and private organizations, centered in the U.S. though extending through a variety of multinational networks around the globe – who have in the past 20 years or so developed experience (and in some cases real expertise) in programs and policies that can contribute to democratic development in other countries.

There is, however, no “command and control” center of the democracy promotion policy, no single place where overarching strategy is developed or coordinated, even within the sub-community that is the United States Government. Over the years, there has been regular communication and mostly fruitful cooperation between this array of actors, inside the U.S. Government and outside it, Americans and non-Americans. Most of the practical cooperation emerges tactically, “on the ground,” in urgent situations where a variety of actors are active and the needs of the potential beneficiaries in a dynamic, fast-moving situation require that would-be providers of assistance find a way to cooperate. They often do find ways to do so, but experience indicates that it is much more difficult (indeed, it has proven to be impossible in any meaningful way) to achieve strategic cooperation or convergence on approaches to democratization more broadly.

Perhaps it is the nature of the subject, or a reflection of the character of the actors, or the unique operating environments that arise in each case that suggest that previous models of cooperation or division of labor are not useful. Whatever the reasons, it appears political development initiatives are not centrally controlled or directed in the way that military or diplomatic endeavors typically are. Some see this as a problem, and there are recurring efforts to impose coherence, yet none have succeeded to date.

When George W. Bush’s Administration arrived in office and later decided to elevate the democracy promotion to the forefront of American foreign policy, there existed a considerable body of seasoned personnel and institutional mechanisms available

to it, some more amenable to direction than others. The now-traditional Presidential Transition learning process, whereby new U.S. administrations ignore, reverse, reinvent, and revisit the decisions and policies of predecessors was exacerbated by the crisis atmosphere after 9/11 and the attendant rush to reorganize the federal governmental infrastructure. Nevertheless, the Bush Administration has since then largely settled into its bureaucratic inheritance and learned to utilize and modify the mechanisms available.

Moreover, the present Bush Administration has in its turn (and in addition to the increased funding it directed to most of the mechanisms indicated above) launched:

- the *Millennium Challenge Corporation* (MCC), a new kind of development assistance agency with a global mandate that explicitly creates incentives for governments to behave democratically and to “govern wisely”;
- the State Department’s *Middle East Partnership Initiative* (MEPI), a regional grants program focused on the Arab Middle East;
- a new diplomatic effort to reinforce democratization and accelerate reform in the multifaceted *Broader Middle East and North Africa Initiative* (BMENA) adopted by the G-8 group of nations in June 2004;
- three new broadcasting outlets in the Middle East – *Radio Sawa* and the television station *Al-Hurrah* for the Arabic-speaking world and *Radio Farda*, a newly reorganized Persian-language radio station; and
- a new *Coordinator for Reconstruction and Stabilization* in the State Department to assume greater operational responsibility for post-conflict reconstruction and rehabilitation – including start-up efforts to foster democratic governance.

For the most part, it is too early to assess the impact of these Bush Administration innovations, other than to note that they have cumulatively furthered the dispersal of decision-making and spending authority in the realm of democracy promotion, adding new actors and policy mandates and budgets without eliminating any. As is often the case with the construction of major governmental infrastructure, several years may be necessary to clarify what has been wrought.

For instance, the BMENA Initiative’s first activities occurred in December 2004. And only in mid-2005 has the MCC disbursed its first dollars to a foreign country (Madagascar). MEPI has altered its approach a few times since it launching in 2002, as it has sought to carve out a distinct operational profile. Some observers have noted that MEPI funds some of the long-active organizations operating in the region, and may not bring a distinctly new impact, other than larger budgets, to the scene. One close observer complains that overall impact of the MEPI programs is diminished by “a scatter-shot approach to promoting reform; an overemphasis on government-directed assistance that repeats instead of repairs the errors of our past assistance in the region; and, most worrying, a lack of support at higher policy levels for its goals and projects.”¹³ (While

¹³ See the paper by Brookings Institution research fellow Tamara Cofman Wittes, *The Middle East Partnership Initiative: Progress, Problems, and Prospects*, November 29, 2004, (Saban Center Middle East Memo #5) at: <http://www.brookings.edu/views/op-ed/fellows/wittes20041129.htm>

some of these criticisms have merit, it is surely not the case, at least any longer, that in George W. Bush's second term these programs do enjoy high level support.)

Similarly, it is also not yet clear whether the substantial enlargement of operational and grant-making activity on the part of the State Department's DRL Bureau constitutes a value added that is different from what might have happened if the same money were disbursed by pre-existing mechanisms at USAID or the NED. While some officials note that USAID tends not to work on a regional or multi-country basis, and that the Endowment does not have sufficient resources to fund long term programs, one would have thought that these sorts of problems could be addressed without creating whole new mechanisms.

Titles and status may also matter. In March 2005, consistent with the President's heightened public commitment to democracy promotion as expressed in his Second Inaugural Address, the National Security Council staff was reorganized to create, *inter alia*, a deputy national security advisor for "global democracy strategy." This has enabled the issue to be joined on an inter-agency basis at the under secretary level (whereas previously the NSC's senior director for democracy and related matters, a position created in the Clinton administration, operated more often at the assistant secretary level). As discussed later in this paper, the State Department announced in late July that the Under Secretary for Global Affairs would become the Under Secretary of Democracy and Global Affairs – to "underscore the importance the Secretary places in advancing the President's Freedom Agenda." Not to be out-done, the U.S. Agency for International Development has just re-designated an existing deputy assistant administrator position to be responsible for democracy promotion.

At this writing, in mid-summer 2005, there are at least two major reviews of democracy strategy underway at the behest of the deputy national security advisor. One is principally a review of USAID, which has responsibility for the largest sums of money in this realm. The review of funding for democracy and governance programs worldwide is examining issues such as the balance between funding of non-profit NGOs versus contractors; the consequences of a highly decentralized decision-making structure (in which USAID's 90 Missions worldwide have a great deal of latitude in determining whether to support democracy programs at all, and if so what kinds); and the vexing matter of how to tell what impact these "D & G" programs actually have.

Another review under way in summer 2005, led by the Under Secretary of State for Global Affairs, is seeking to engage the regional bureaus of the State Department, along with DRL and senior officials at USAID, to identify a short list of priority countries (perhaps eight or ten) in which concerted USG efforts could and should be directed to enhance the prospects for democratic breakthroughs or consolidation.

Waiting in the wings at the Department of State's Office of Policy Planning, not quite started yet, is a prospective review of the array of development agencies and programs (including but not limited to those engaged in democracy promotion) to propose potential revisions of the government's institutions to better advance policy

goals. (In a public forum at the Brookings Institution on July 14, State Department Policy Planning Director Stephen Krasner said that one of many motivations for this was the continuing inability of USAID and State's DRL to find a way to work well together on democracy promotion issues.) Whether this portends another effort to finally fold USAID into the State Department will be clear in due course, but it is already clear that the general dispersal (some less charitably describe it as "fragmentation") of development programs and activities that is echoed in the democracy field is generating activity to revisit the infrastructure of assistance programs.¹⁴

Meanwhile, as the Administration (and its counterparts in opposition) are taking stock, Congressional architects are busy. In mid-summer 2005, there are at least two distinct, though largely complementary, legislative efforts to reconfigure the U.S. democracy promotion infrastructure pending. One is a detailed proposal in the form of new authorizing language that would realign the State Department and mandate new senior positions in the Department and more explicit strategies for effecting democratic regime change more often. The "ADVANCE Democracy Act" was introduced in March 2005 by Senators Lieberman (D-CT) and McCain (R-AZ) and in the House by Representatives Wolf (R-VA) and Lantos (D-CA).¹⁵ [A summary of the bill is attached to this discussion paper as an Appendix.]

This act, largely inspired by a recent book written by retired U.S. Ambassador Mark Palmer,¹⁶ contains a number of specific provisions that would address the conduct of U.S. diplomacy in this area by:

- Establishing a new Office of Democracy Movements and Transitions at the State Department and separate Regional Democracy Hubs at several embassies abroad;
- Creating a Democracy Promotion Advisory Board to provide outside expertise to the U.S. Government;
- Authorizing \$250 million in increased funding for democracy promotion over two years;
- Requiring an annual report on democracy to include action plans to promote democracy in non-democratic countries; and
- Providing various training and incentives for State Department personnel in the promotion of democracy.

Most of its provisions have by late summer 2005 been incorporated into the pending FY 06 State Department Authorization Act by the House International Relations Committee. (In an apparent effort to thwart the legislative action, Secretary of State Rice

¹⁴ A recent critique of this "fragmentation" from another perspective comes in a July 2005 monograph from two former Clinton Administration aid officials: *Organizing U.S. Foreign Aid; Confronting the Challenges of the 21st Century*, by Carol Lancaster and Ann Van Dusen, Brookings Institution Press, 2005.

¹⁵ The full text of the ADVANCE Democracy Act (S. 516 and H.R. 1133) can be found at: <http://thomas.loc.gov/cgi-bin/query/D?c109:2:./temp/~c109kw8Q8y::>

¹⁶ *Breaking the Real Axis of Evil; How to Oust the World's Dictators by 2025*, by Mark Palmer, Rowman & Littlefield (2003)

announced on July 29 that she would implement some of these changes herself – thus the re-naming exercise noted earlier.)

The other is an appropriations-related effort, in which Senator Mitch McConnell (R-Ky), chair of the reconfigured appropriations subcommittee on State and Foreign Operations, has taken the lead. His initiative is contained in the report adopted unanimously by the full Appropriations Committee on June 30 on the FY06 appropriations bill for the State Department and foreign operations. It creates a consolidated “Democracy Fund” granting funding parity to the National Endowment for Democracy and the State Department’s Bureau for Democracy, Human Rights and Labor.¹⁷

One of the most significant aspects of the appropriations bill as passed by the full Senate on July 20, if it should survive the legislative process still to come, is that for the first time, an earmark has been established in USAID’s appropriation for democracy programming – and at a substantial level of \$1.448 billion. (Previously, democracy program budgets frequently suffered because other development priorities were legislatively protected by earmarks. With no such protection for democracy programs, they were vulnerable to being raided for crises or disasters that arise.)

In addition to a series of specific earmarks on funding for democracy promotion in two dozen countries, the legislation’s report also chastises USAID (by far the largest recipient of public funding for democracy and governance activities), and creates new restrictions on the Agency’s latitude to operate as it would prefer. The most controversial is a provision that would create a \$250 million ceiling on how much money USAID may put into contracts (presumably with for-profit firms) as opposed to grants and cooperative agreements (presumably with non-profit NGOs). This would reduce to less than half of current levels the amounts that USAID delivers to contractors, on whom the Agency has come to rely heavily in the D&G field (as it does in other areas). This legislative intrusion into USAID’s operations builds on the apparent downgrading of “D&G” as a focus within USAID during the present Bush Administration¹⁸, and the Agency’s marginalization in inter-agency deliberations on democracy promotion strategies and tactics, as well as efforts by leading NGOs to create an enhanced political mandate (via Congressional action) for their particular approach to democracy promotion.

The public funding available for democracy promotion activities has increased substantially since 2000, when it was roughly \$500 million per year, mainly channeled

¹⁷ As this paper was being finalized in late September, House and Senate conferees had not resolved the final status of these provisions. As the Senate-passed provisions described here do not appear in the House-passed version of the legislation, it is unclear whether they will survive the conference process.

¹⁸ The Center for Democracy and Governance in USAID’s Global Bureau and headed by an Associate Assistant Administrator, created early in the Clinton Administration, was downgraded in 2001 to be an “Office” in the reconfigured Bureau for Democracy, Conflict and Humanitarian Assistance. Program funding available to this Office has diminished in each year of the Bush Administration, although it should also be noted that the size of the staff in this office doubled from 200 to 2005. In 2004, the cadre of democracy specialists that had been created in the 1990s, with the title “Democracy Officers” was abolished as these officials are being morphed into ‘Democracy and Post-Conflict Mitigation officers’.

through USAID. It may have doubled to about \$1 billion by FY2004, not counting spending in Afghanistan and Iraq. In FY2005, the present fiscal year, and including Iraq and Afghanistan spending, it appears to be about \$2 billion in taxpayer's money is devoted to democracy promotion abroad.

It is impossible to arrive at a precise number, due to the highly decentralized nature of the welter of agencies, organizations, programs and activities, overlapping budgets (as funding is moved between agencies and organizations quite often). There are also serious disagreements among policy-makers over whether all programs couched as "democracy promotion" activities really are such.¹⁹ There are also programs that are framed principally as something else that have a component or an aspect that is clearly related to democracy promotion – exchanges and scholarship programs, military exchanges and training, foreign assistance for traditional development programs that is conditioned, in part, on democratic performance by other governments (as in the Millennium Challenge Corporation and some programs administered by USAID).

Notwithstanding the centrality of this theme to President Bush's foreign policy, he has been curiously unsuccessful in persuading the Congress to agree to the funding levels he presents. Of course, it is difficult to assess whether "enough" is being spent in this area. It may be that Bush is actually achieving the funding levels the Administration believes are appropriate; he could be asking for more than he expects or wants, in order to create both a sense of enhanced commitment *and* a posture of deference to Congressional sensibilities about the budget deficit.

For instance, the President made a widely publicized commitment in January 2004 to double funding for the National Endowment for Democracy, the flagship U.S. program in this field, but his request to Congress for an appropriation of \$80 million in FY 2005 led to an increase from \$40 million to only \$60 million – and there were some significant strings attached to the increase (as noted later in this paper). In the current debate over funding for FY06, the Administration has again requested \$80 million for the Endowment. Similarly, Congressional appropriations for the Millennium Challenge Corporation have consistently been about two-thirds of the amounts requested and publicly envisioned for the program.

As this paper was being finalized, a renewed debate in Congress about the consequences of massive spending by the Federal government – for relief to the Gulf Coast following Hurricanes Katrina and Rita, and the Iraq War, accompanied by continuing tax cut initiatives – suggests that further cuts in the foreign aid budget may well be forthcoming, and fulsome, for FY2006.

¹⁹ The Senate Appropriations Committee report cited earlier states: "The Committee remains concerned that the State Department and USAID do not share a common definition of a 'democracy program'. For the purposes of this Act, a democracy program means technical assistance and other support to strengthen the capacity of democratic political parties, governments, non-governmental institutions, and/or citizens, in order to support the development of democratic states, institutions and practices that are responsive and accountable to citizens."

Issues

As suggested in the previous section, the democracy promotion infrastructure is also a moving target, as numerous actors are advocating, legislating or announcing changes in the way business is done in this field. Among the issues at play in mid-2005 are the following.

1. Congress/Executive

As in most aspects for foreign relations, inherent differences in perspective obtain between legislators (and their staffs) and Administration officials (and the permanent professionals at State, USAID, DOD and the intelligence community) about priorities, budget allocations, reporting and notification requirements, and mechanisms.

At mid-summer 2005, the battles are just now being joined between the Congress and the Executive over:

- the State Department authorization bill (to which the House has added the ADVANCE Democracy Act);
- the Foreign Operations and State Department appropriations bill (to which the Senate Committee has added aspects of the ADVANCE Democracy Act, and substantial earmarks, diverse country-specific policy guidance, including on Iran and central Asia, and operational constraints on USAID);
- the UN Reform Act²⁰, likely to be added to the State Department authorization (if one is to be enacted this year), in which the UN Democracy Fund, the role of the Democracy Caucus, the composition of the UN Human Rights Commission/Council are all addressed, and the virtues of withholding assessed contributions to the UN as leverage are all considered.

Some of the impending tussle will be about specific aspects of the proposals, combined with more general institutional angst in the Executive about how much it can or should tolerate policy direction (often seen as “micromanagement”) from the Congress.

One of the leading figures in the democratization community, who has also served in the executive branch notes (correctly) that “every important institutional advance in the U.S. Government that strengthens the democracy policy – the human rights reports and creation of DRL, the offices for religious freedom and trafficking in persons, the funding for various country and functional programs – not only emerged from Congress rather than the State Department, but was consistently resisted by the Department.”²¹

²⁰ S. 1383, introduced July 12 by Senators Lugar and Coleman, entitled ‘United Nations Management, Personnel, and Policy Reform Act of 2005’.

²¹ Numerous personal conversations with the author

2. State/USAID

In the late-1990s, when USIA and ACDA were incorporated into the State Department, USAID survived as an autonomous agency – though it was made more explicit that its policies should be consistent with those of the State Department. The USAID Administrator reports to the Secretary of State and abroad the ambassador is supposed to oversee the work of AID Missions. Even though USAID was supposed to have been integrated more effectively into the State Department, the two organizations still struggle to find a fluent mode of communication. As the Senate Appropriations Committee said in its report of June 30, “the State Department and USAID do not share a common definition of a ‘democracy program’.” (See appendix)

Budgets

A beleaguered foreign aid agency is trying to integrate democracy promotion into its revamped approach to development and post-conflict reconstruction, even while senior management has weakened the status of its flagship democracy center. While USAID’s overall budget authority in this field remains substantial (and may now be protected by a legislative earmark, if the Senate’s position stands), it finds itself losing operational authority to determine how those funds may be spent – in country discussions and more generally. The imminent review of aid polices and agencies being led by the Secretary’s office of policy planning, as well as the push by NGOs and some Members of Congress to recentralize in Washington decision-making about USAID spending priorities, may further endanger USAID’s relative autonomy.

The State Department’s DRL Bureau, on the other hand, has seen its influence and budgets grow each year. Though it is now at about one-tenth the program budget of USAID, it appears to have developed a broader, supportive network in the Congress and among prominent democracy promotion NGOs than has USAID.

Whether Condoleezza Rice desires to continue this trend remains to be seen. In addition to concerns about duplicating the work of USAID and the NED, the emergence of a well-funded program bureau in DRL is also likely to give rise to conflicts within the State Department, as regional bureaus do battle with DRL over the disposition of these funds.

Personnel

Curiously, USAID has democracy officers and State does not. Of course, every embassy has political officers, but they receive no training in democratization issues, and there are virtually no career incentives in the Foreign Service for FSOs to delve into this issue – notwithstanding that it has become the President’s central theme.

USAID has invested over the past decade in the creation of a corps of “democracy officers.” Regular conferences of DG officers have been convened; manuals and “how to” documents abound; and these democracy officers are posted in many Missions worldwide. While pending legislation may oblige the Department of State to develop more explicit training of its FSOs in democracy promotion issues (including the

management of grant relationships with NGO implementers), virtually nothing along this line has been done to date. Recently, the Foreign Service Institute agreed to create a four day course for junior/mid-level FSOs on “Human Rights Tradecraft” in consultation with human rights advocates – but it won’t begin until autumn 2006. In the autumn of 2005, for the first time, senior diplomats (at the rank of FS-01 and above, in the Senior Foreign Service) will have an option to partake of a two day seminar on democracy promotion issues, as one in a series of offerings on “transformational diplomacy” that have replaced the defunct Senior Seminar of yesteryear.²²

Center/periphery

Building on trends apparent in the previous Administration, USAID has decentralized decision-making and program development almost entirely to its 90 missions worldwide, and kept very little authority or funding at the center. State, on the other, hand, has maintained a more centralized control over spending and policy, in DRL and in certain regional offices (such as the Special Coordinator for aid to the former Communist countries of Europe and Eurasia, in the EUR Bureau, or in MEPI, which is part of the NEA Bureau) The NGOs leaders headquartered in Washington, along with Congressional actors, seem to prefer to work with State because they can engage in strategic regional discussions that often cannot be held at USAID. They also argue that State utilizes its growing expertise better in this manner, whereas the decentralized model of USAID relies on less experienced Mission personnel to make critical decisions.

3. State/Defense

At a moment when the military occupation of Iraq has become for many observers the litmus test of whether the President’s democracy promotion policy will or can work, the disconnect between the Departments of State and Defense is all the more interesting. There is, of course, a natural and enduring difference in the way the two organizations see the world and interact with it. But in an administration that has elevated the linkages between democracy promotion and national security, one might have expected greater operational integration between the two.

Numerous countries, including Pakistan, Saudi Arabia, Egypt, Russia and China, present complex trade-offs in U.S. policy priorities. Uzbekistan is interesting in part because the relationships are so new. The U.S. has recently tried to reconcile its enhanced commitment to democracy promotion, which some believe requires a confrontational posture toward Tashkent, with the need to make peace with allies of convenience in the war on terrorism in central Asia. [In mid-June, the *Washington Post* reported that Secretary of Defense Donald Rumsfeld effectively cooperated with the Russian delegation to a NATO meeting in blocking a call for an independent investigation of killings by Uzbek security forces in Andijon on May 13, claiming that he was not aware

²² Conversation with senior official at Foreign Service Institute, July 15, 2005.

of public statements on the matter by Secretary of State Rice calling for an independent investigation.^{23]}

Proper resolution of this particular inter-agency divergence depends on one's assessment of how vital the U.S. bases in Uzbekistan actually are militarily, given the state of the campaign in Afghanistan and elsewhere²⁴, and what possibilities exist for influencing the behavior of the Uzbek government and military as a result of this basing arrangement and other cooperation.

A larger operational question it raises is: Can the newly elevated deputy national security advisor for global democracy strategy play a role in managing this inter-agency dispute in such a way that democracy promotion considerations are reconciled with military necessity? If not, who can?

More broadly, the role of U.S. military personnel as agents for democracy promotion in their dealings with counterparts around the world needs to be integrated to some extent in the broader policy framework. Military attaches abroad, trainers and liaison officers, regional combatant commanders – all potentially can play roles. To what extent does the military effectively convey the virtues of military deference to democratically constituted civilian authority?

Are the IMET programs (funded in the next year perhaps at a level of \$86.7 million – a larger budget than either the National Endowment for Democracy or the programs managed by State's Bureau for Democracy, Human Rights and Labor) effectively integrated into the broader U.S. strategy for democracy promotion?

4. State: Democracy Promotion in the Foreign Service/DRL in the Department

If the initial steps to enact portions of the ADVANCE Democracy Act now pending in both House and Senate are enacted into law, Congress will have enlarged the operating budget of DRL by 25% in the next year, to create an additional Office of Democratic Movements and Transitions and an additional Deputy Assistant Secretary position. Other provisions would add career incentives for FSOs to seek assignments in DRL and to profit from the experience in promotions and pay, and would reinforce the prestige and authority of DRL within the Department, by requiring (among other steps) that greater numbers of FSOs serve tours in DRL.

This would build on a quieter, more gradualist effort that has been underway in the *Freedom Investment Project*, an effort partly funded by the MacArthur Foundation and currently housed at the Open Society Institute's Washington office, that seeks to address what are seen as systemic institutional barriers within the State Department to

²³ R. Jeffrey Smith and Glenn Kessler, "US Opposed Calls at NATO for Probe of Uzbek Killings," *Washington Post*; 14 June 2005, page A-1

²⁴ "There's no single installation anywhere in the world that we must have and can't live without," said Pentagon spokesman Lawrence Di Rita, according to an *Agence France Press* report of July 14, "US Bases in Uzbekistan, Kyrgystan not Indispensable: Pentagon"

strong human rights and democracy promotion policies. The Project was inspired by, and seeks to build on, the Freedom Investment Act, enacted as an amendment to the State Department Authorization for FY2002. Another part of this law requires that DRL prepare its report on “strategies” for supporting human rights and democracy. It also mandates a new a role for DRL in participating in the assignment of FSO to more than 200 postings in embassies abroad in countries where democracy and human rights issues are important.

On July 29, 2005, Secretary of State Rice announced several changes in the bureaucratic configuration of her department, intended to elevate democracy promotion in the institutional hierarchy (and not incidentally to head off the more sweeping changes envisioned in the pending ADVANCE Democracy Act). She announced her intention to do three things: rename the position of Under Secretary for Global affairs as Under Secretary of Democracy and Global Affairs (to “underscore the importance the Secretary places in advancing the President’s Freedom Agenda”); create a new Deputy Assistant Secretary of State for Democracy in the DRL Bureau (“to streamline and centralize our democracy promotion efforts”); and create a new Advisory Committee for the Secretary (“to get the best expert advice on democracy promotion”). These will each require Congressional action to come to fruition.

More quietly and perhaps more importantly, the Secretary has recently charged DRL to develop a region-by-region plan that includes country-specific, short-term plans of action to advance democracy in key countries. That DRL is charged with managing this process, in tandem with each regional bureau, is a further reflection of the growing clout of this bureau.

5. The grants versus contracts battle between the NGOs and the contractors

An influential group of major NGOs involved in democracy promotion has challenged the way in which their principal funder, USAID, interacts with them and others – and this has led to the language to be found in the Senate Appropriations Committee’s report on the foreign aid appropriation (see especially pp 11 and 12 of the Appendix).

Contracts versus grants

The NGOs’ principal concern is that the preferred USAID mechanism is to enlist contractors,²⁵ and that this undermines the appropriate role of “mission-driven” NGOs, with their grounding in American political culture and their international networks of counterparts. They tout their ability to focus on democratization issues of capacity building (for political parties, news organizations, professional bodies, civil society groups, etc) without being driven by short-term foreign policy considerations, such as who may win a foreign election. The NGOs maintain that contracts also deprive them of

²⁵ While many contractors are for-profit enterprises, many non-profits are also counted in the contractor camp. The NGO complaint is less about the role of profit in this work than about who wields operational control.

necessary flexibility in implementing projects and also inaccurately cast them as “agents of the U.S. Government” rather than in the manner they see themselves – as organizations existing solely to promote democracy worldwide, for their own reasons and in their own ways, who incidentally accept Government funding to enable them to expand their mission.

While they disavow some of the details contained in the pending Senate version of the Foreign Operations Appropriations bill (such as a \$250 million ceiling on contractors in democracy promotion, which would cut in half the amounts available to the contractor community), the bill clearly reflects their recent advocacy campaign. The bill cites, as examples of NGOs that do good work and ought to receive larger shares of USAID funding (“among others”) seven specific NGOs that are the major actors in this field (all described in an appendix to this paper): NDI, IRI, CIPE, Solidarity Center, Freedom House, Internews, ABA-CEELI.

In providing funds, USAID distinguishes between “contracts” and “grants.” When USAID itself defines a program or task, and identifies an organization through competitive processes to implement that activity, the Agency enters into a “contract.” When the Agency desires to support activities largely defined and carried out by private (generally nonprofit) organizations that it deems consistent with U.S. development policy, it provides a “grant.” A “cooperative agreement” is type of grant that is actually a hybrid, wherein the Agency retains “substantial involvement” in its implementation. This distinction is very important to the most prominent democracy-promotion organizations, as they prefer to operate under grants or cooperative agreements, which at least in theory give them greater autonomy and control over their programs. Many USAID officials, reciprocally, believe that contracts are better mechanisms because they can “compel” performance, and obtain crisper accounts of achievements and setbacks, than they can obtain from NGOs working under grants.

Some of these nonprofit organizations have recently pressed USAID to reduce the amount of money programmed through traditional contracts and make more funds available to them through grants and cooperative agreements. Several of these NGOs are – or are perceived by USAID to be – politically powerful. They have, in fact, enlisted help from Capitol Hill in pressing USAID to make funds available for their programs, including, in some cases, hard and soft earmarks for their activities.²⁶ Although several

²¹The Senate Appropriations June 30 report on the foreign operations appropriations bill for FY2006, in addition to placing a (hard) ceiling on the use of contracts overall in DG work, also notes (softly) that “the Committee *expects* USAID to rely on NGOs, operating under assistance mechanisms, whose experience and accomplishments in democracy promotion activities are unparalleled--and under utilized by the Agency. This includes the Solidarity Center, NDI, CIPE, Freedom House, IRI, CEELI, and Internews, among other organizations.” In its treatment of Russia, in what appears to be both a soft and a hard earmark, the Committee “*recommends* \$85,000,000 for assistance for Russia, of which \$5,000,000 *shall* be made available to the NED for political party development programs.”

of these nonprofit organizations are proud of their “independence” from the U.S. government and U.S. policy, many—including several of the most prominent—receive virtually all of their funding from U.S. government sources and also play an important role in influencing U.S. policy in this area.

Although it has long provided grants to “private voluntary organizations” and other nonprofits, USAID has preferred to continue considerable programming through contracting with firms the Agency believes provide necessary management and technical expertise. Increasingly, the debate on how these various mechanism ought to be utilized in democracy promotion has pitted some politically powerful government-supported nonprofit organizations and their Congressional supporters against much of the USAID government-contracting community, including other nonprofits, and, to some extent, USAID itself. The debate is both about: (1) the extent of open competition for government funds as opposed to setting money aside for NGOs with particular experience, expertise and constituencies (although grants and cooperative agreements are also subject to rules about competitive bidding) and (2) accountability for the expenditure of U.S. government funds and the formation of U.S. policy.²⁷

In addition to favoring grants and cooperative agreements, several of these NGOs advocate a greater role for the State Department in funding and managing democracy assistance programs, apparently at least in part because the State Department tends to be more supportive of their more “political” style of programming. Others (and sometimes the same people) defend the continuing role of USAID on grounds that the Agency’s *raison d’etre* is to focus on development and to take the longer view, while the State Department necessarily responds to shorter term, more pressing or “political” foreign policy interests. Moreover, in disbursing its funding, the State Department (in DRL or in MEPI) does not utilize contracts, preferring instead to work with NGOs through grants.

Branding

Another complaint heard from NGOs in the democracy promotion community is that USAID has imposed “branding” requirements on all of its projects abroad that the NGOs feel is particularly inappropriate to political development efforts. While there may be value to labeling school construction or medical clinics or the like with a “made in the USA” label, they argue, it is not advisable to do so with political actors one is trying to support. In working with politicians and civic leaders in potential or emerging democracies, the NGOs assert, it is important that successes be owned by the local partners – and that American helpers and supporters take a back seat.

While this relates to a larger problem some perceive in the current Administration’s triumphalist rhetoric about the genesis of political change in various countries, which many democracy promoters see as counter-productive and denigrating

²⁷ In response to a request for information on this, conveyed to USAID by a staffer for Senator McConnell, USAID in Spring 2005 reviewed its spending patterns and reported that spending in the field of democracy and governance (“D&G”) in FY2004, and ascertained that 62 percent of funds had been expended through grants and 32 percent via contracts.

of local efforts, it has a very specific, literal dimension for those working with USAID. Recently, USAID has established a policy to require that all contractors prominently highlight in all activities, in graphics and titles (and in precisely described colors, proportions and fonts): “USAID – from the American People.” This includes the presentation on publications, business cards, office signs, and more.²⁸

6. Intelligence Community

Covert action is an established instrument available to the United States to influence outcomes in foreign political contexts, distinct from military action, diplomacy, development assistance.

It is public knowledge that once upon a time the CIA providing financing and advice to friendly, pro-American (or at least anti-Communist) political parties in competitive electoral environments, such as in early Cold War Italy and France, to bolster their chances for success at the ballot box.²⁹ As American policy was focused much more clearly on the anti-Communist dimension, this also meant that some of this aid over the years found its way to non-democratic, if anti-Communist, political parties and related forces that would have included journalists, academics and other “opinion leaders” in societies of interest to the US Government.

It has also been well publicized that the capabilities of the CIA to conduct covert operations abroad seriously diminished – especially in the immediate aftermath of the demise of the USSR, and that they are being rebuilt. Persons knowledgeable about the CIA say that while much of this sort of capacity had indeed atrophied, it had been revived and become quite robust by, say, 2002.

The degree to which the CIA or other agencies in the intelligence community may have ever made ‘democracy promotion’ a theme of their reporting and analysis is unclear to the layperson. One presumes that the CIA and its sister agencies in the intelligence community provide assessments of actors and trends that incorporate reference to the prospects for enlarging or diminishing democracy. One also must presume that they propose covert operations that would advance the President’s stated policy goals, including democratization.

One wonders how democracy promotion was incorporated into the principal intelligence gathering priorities papers of the present and previous administrations – the Clinton Administration’s PDD-35, setting forth intelligence gathering priorities, or the Bush Administration’s more recent NSPD-26, as amended, which sets forth the intelligence gathering priorities for the intelligence community. The *Societal Conflicts Group* within the CIA’s *Office of Transnational Issues* is known to examine some of the

²⁸ For USAID’s rationale, see www.usaid.gov/branding

²⁹ See, *inter alia*, John M. Broder, “Foreign Taint on National Election? A Boomerang for U.S.,” *The New York Times*, March 31, 1997.

macro issues and trends affecting national stability and the potential for political change around the world.

It is possible that with the emergence in the mid-1980s of the National Endowment for Democracy, and the affiliated political party institutes (National Democratic Institute for International Affairs, NDI, and the International Republican Institute, IRI), the intelligence community may have decided that someone else would address, on a public, overt basis, the marshaling of support for democratic (and/or anti-Communist) political parties and related forces. Maybe they opted out of this realm because the NED family had arrived or maybe they left the field for other reasons. Or, one probably ought to presume, maybe they never left.

NGO practitioners and their supporters in Congress have usually objected to proposals that covert support to certain groups be provided alongside the public programs (when they are aware of them), and they seem to prevail in at least some key situations. This was apparently the case recently in Iraq, when Administration plans to provide covert financial support to some candidates in the January 30 election were scrapped when NGOs and Congressional leaders objected, although it is unclear whether the plan was completely abandoned.³⁰

There are therefore a number of critical questions relating to the role of the intelligence community in the context of President Bush's commitment to democracy promotion that would be interesting to explore in the appropriate venue.

On the operations side of the house:

- To what degree is the U.S. intelligence community engaged today in providing financial support or operational/strategic advice or other assistance to political parties or other social or political movements in countries where democratization is possible or desirable?
- In democratizing environments, in particular – that is, where other U.S. agencies and NGOs may be active in support of a democratic transition – does the CIA support go only to parties and individuals with “democratic” characters, or to others, as well? To the extent that the intelligence community is indeed engaged in such covert relationships, what sort of “democracy filter” is applied, and by whom?
- Should coordination, or at least communication, take place between overt and covert activities? What would be the appropriate venue for such coordination?
- In the quests for intelligence regarding terrorist activity or the illicit proliferation of weapons of mass destruction, in what way does the potential impact of specific operations and partnerships on the prospects for democracy get factored into

³⁰ Douglas Jehl and David E. Sanger, “Plan for Covert Aid in Iraq Vote,” *The New York Times*, July 17, 2005, p A6.

decisions – about who makes a good partner or the degree to which the USG ought to be engaged with various actors? Is it considered at all?

On the analytical side:

- What priority is attached to the cultivation of contacts and information about political developments and prospects for democratic advancement in countries where this should be of interest? What priority is given to data gathering and analysis – and the raising of red flags with counterparts at State and USAID – regarding prospects for democracy back-sliding in the many countries that are in stages of transition? Is there an appropriate way to provide information or analysis to the “front line” actors, who are often working in these environments in the employ of NGOs?
- In what ways does the analysis presented by analysts to decision-makers support the development or implementation of strategies for democratic advancement?
- What are the ‘taskings’ that have been sent to the intelligence community from the highest policy-making authorities about developing information, strategies and recommendations for the advancement or consolidation of democracy in key settings?

Overall, what role is played by the National Security Council – and the newly elevated Deputy National Security Advisor for Global Democracy Strategy, in particular – in harmonizing the intelligence community with the more visible facets of the democracy promotion activities directed or supported by the United States?

7. Other issues for discussion

- **Political Party assistance.** This remains one of the most controversial and vexing policy areas in democracy promotion, especially for USAID, which has struggled to make its peace with the notion of working with political parties abroad, even while the Agency has become the largest funder by far of this type of work. Virtually all party-related activity is implemented by the National Democratic Institute (NDI) and the International Republican Institute (IRI), each of which is well connected to international political party networks (as noted in the Appendix). Issues of exclusion and inclusion, existential questions of national sovereignty, financing for candidates and parties, the difficulty of measuring program impact beyond elections results -- all these bedevil USAID, and complicate relations with NDI and IRI. The two institutes, meanwhile, are in regular, friendly communication with counterpart party institutes in other countries, from the German *stiftungen* to the British Westminster Foundation and the Institute for Multi-Party Democracy of the Netherlands, all of whom provide similar kinds of advice and assistance (though on much smaller scales than do the

Americans). The two party institutes have begun to accept funding from some other countries' aid agencies for programs with political parties.

- **Timelines and follow-through.** Few clichés are heard more often and ignored more frequently than “elections are not the main focus of democracy assistance” and “we are in it for the long haul.” While the principal democracy promotion NGOs and their counterparts in State and AID would like live up to these maxims, the Congress and successive administrations always make more money available as seemingly critical elections approach, and initiatives and funding by USAID and the State Department are likely to wind down soon after an apparently successful breakthrough election. Serbia and Indonesia provide recent illustrations of the inclination among U.S. Government agencies to shift their attention away from long-term follow-through very soon after reasonably democratic elections have installed apparently democratic leaders in office.
- **It is hard to know what works, and how to be accountable.** The need for government agencies to demonstrate short-term impact to superiors and to Congress has led to many efforts in recent years, especially at USAID – sometimes ranging into elaborate, agonizing and hilarious schemes – to quantify incremental progress on the way to democracy with “indicators,” “intermediate results,” and other quasi-scientific measures. The drive to render political development into a quantifiable development process frustrates many democracy promotion activists in the NGO community and also many in the State Department, and this is a frequent bone of contention. On the other hand, the development specialists at USAID, obliged to justify funding decisions, understandably desire to have some objective basis on which to allocate funds. They often complain that the major NGOs tend to do the same programs everywhere in the world with minimal adaptation to local environments, and they resent what they see as the “political clout” that protects the NGOs’ funding position. The NGOs resist the efforts of “bean-counters” and resort to making their case to sympathetic allies in the Congress and in the State Department.

The recent turn of events in Ukraine captures the dilemma. After more than a decade of apparently fruitless assistance programs in the country, and repeated efforts by officials at USAID and State Department to reduce or remove the NGOs from the country, Ukrainians finally and peaceably effected what appears at this point to be effective regime change, through electoral and civic action, in the 2004 Orange Revolution. It remains unclear what the contribution was of the long-term or the short-term assistance programs by American and others.

- **Evolution of World Bank (and the other International Financial Institutions and the UNDP).** What posture might the World Bank adopt under the leadership of its new President, Paul Wolfowitz? Wolfowitz, after all, is a former member of the Board of Directors of the National Endowment for Democracy, and one senior U.S. official who did argue the case for invading Iraq, at least in part, on democracy promotion grounds. To date, the World Bank has avoided using the

“D-word,” though it has steadily incorporated into its thinking and operations considerations it describes as “governance.” And the keys to sound governance, according to the Bank’s experts, include elements such as “citizen’s voice” and “accountability” that come close to describing fundamental aspects of democratic political society.³¹

³¹ See, for instance, a May 17, 2005 presentation by Daniel Kaufmann, Director of the World Bank Institute’s Global Programs and Aart Kraay, Lead Economist at the World Bank’s Development Research Group, entitled “Governance Matters” at:
<http://info.worldbank.org/etools/bspan/PresentationView.asp?PID=1538&EID=746>

Conclusion

➤ *Democracy promotion is here to stay.*

Whether the U.S. should be promoting democracy at all, let alone should it have been elevated to the “Policy Pantheon,” is beyond the scope of this paper on infrastructure. Suffice for our purposes to stipulate the following: notwithstanding powerful reservations and objections by leading ‘realists’ in both parties and elsewhere,³² it appears that democracy promotion is here to stay.

In addition to the present Administration’s commitment to the policy, there is a critical mass of support for the policy in both parties in Congress (though diminishing somewhat among Democrats); influential circles of advisors, pundits and commentators active on the left and the right are supportive; scores of NGOs are active in implementing the publicly-funded programs (each with influential leaders and directors) who constitute a key constituency; and there are now numerous centers of decision-making and spending scattered through several U.S. agencies. There is also an influential international constituency of partners *and beneficiaries* who together serve to reinforce the inclination among Americans to remain engaged in the effort.

➤ *The infrastructure is developed, diverse, and dispersed. Is this chaos or genius?*

While the assets available to U.S. policy-makers are not always easily corralled into a coherent country plan, as they are dispersed among many specialized NGOs, competing USG agencies, offices and budgets – and there is as yet no command and control center – there is clear value associated with this diversity, as mission-focused NGOs address complementary aspects of democratization, and different funders perceive complementary opportunities.

However, the value of dispersal and diversity among implementers (pluralism in the promotion of political pluralism is a good thing) may not be equaled by the value of diversity that obtains with government agencies. Why is it necessary for NED, USAID *and* two Bureaus in the State Department *all* to provide funding to NDI and IRI to work in Iraq? The proliferation of government players during the present Administration has not been accompanied by much growth in the community of recipients of USG funding. While contractors and NGOs will argue that there is value in diverse sources of funding, because they want as many spigots available as possible, there is probably room for some consolidation.

➤ *It’s a good thing there is no command center, as there is no theory.*

³² See, for instance, John Deutsch, former Director of Central Intelligence, writing in *The New York Times* July 15, 2005 (“Time to pull Out. And not Just from Iraq.”) He writes that “America embarks on an especially perilous course ... when it actively attempts to establish a government based on our values in another part of the world.” Which of course is what the Clinton Administration in which Deutsch served, and now the Bush Administration, have pledged to do.

As noted at the outset of this paper, Mike McFaul has correctly written that “our understanding of regime change and the role that outside actors can play in fostering it is frightfully underdeveloped and poorly accumulated. Government officials and outside analysts roll out their favorite analogies... Practitioners who have worked in countries undergoing regime change have a wealth of on-the-ground experiences. But this mishmash of metaphors and anecdotes has not added up to a model for how to change regimes effectively.”

➤ *It's a good thing there's no command center, as it wouldn't work.*

Recurring efforts over the years to establish tighter controls on the multiplicity of actors engaged in democracy promotion, even in a specific country-setting, have tended to take on a cartoonish quality, evoking a Soviet-style “Central Committee for the Promotion of Political Pluralism.” Especially when one considers the role of competing political parties or candidates, or civil society actors playing a watchdog role in society, or challenging government officials to perform better – and especially when one considers that diverse actors will have competing and conflicting demands on government – the notion that this could ever be directed from one vantage point is clearly ludicrous.

Among the traits necessary for working in this field are: a degree of tolerance for non-violent chaos; comfort with unpredictable outcomes (within a broad, but not limitless, range); and an aptitude for working well with people and groups with whom one fundamentally disagrees.

... and yet ...

➤ *There is substantial room for improvement in the infrastructure*

Walk and talk at the same time. Part of the reason the dispersion of actors and funding is worthwhile is that democratization as a project is both developmental (and thus can be enhanced by long-term involvement and deliberate, nurturing strategies) and opportunistic (thus requiring at times concentrated bursts of diplomatic, NGO or other activity to persuade, encourage or dislodge key actors at critical moments). Some actors can perform both kinds of functions; some, one or the other. There are fewer risks in the long term development kinds of programs, though they cost more money and take more time. High level, energetic interventions cost less time and money, though they can alienate or back-fire

Now that the field has matured to a certain extent, it would be appropriate to revisit at a macro level whether the variety of funding and programs are actually housed in the best places. In democracy promotion, as in every part of public policy, accidents of history and ad hoc mechanisms soon become treasured tradition and protected turf. USAID should focus on those programs with a developmental dimension. The State Department, if it is to remain in the funds-disbursing mode, should probably focus

more on programs involving state actors with who it has a natural affinity and only incidentally be in the business of serving as a donor agency for NGOs. The NED's budget should be quintupled, and then quintupled again. This proven model ought to be finally given a budget adequate to ensure that its support to deserving groups in other countries would not be subject to curtailment at short notice, and it can be managed without developing a elaborate bureaucracy akin to a government department or agency.

Political party assistance. Neither the State Department nor the US Agency for International Development should be involved in political party development work. It just looks bad for the US Government to play too conspicuous a role in managing the political competition in a foreign country, especially given that the US Government does not financially support American political parties. Embassies have demonstrated too often an instinct for the short term solution. USAID should opt out because it worries too much about 'how to measure success' and quantify political processes, and annoys its customers unduly, but mostly because its people would rather be working on other things.) This would require a commitment by Congress, the locus of political party life in the United States, (or private donors) to finance the Endowment (or the party institutes directly) at an adequate level to replace the USAID funding for political party work.

Global strategies/fungible money. The best money available in the democracy promotion business (other than the miniscule amounts of unrestricted contributions to NGOs) is the annual allocation provided to its four 'core grantees' by the NED. With the modest funds (\$6.5 million each last year) they can move money from one project to another, across borders, across functions, as needs and opportunities present themselves. Most money in democracy promotion, on the other hand, is tightly restricted to country and function and can only with great difficulty be reprogrammed, no matter how poorly a program turns out or whether more urgent opportunities present themselves elsewhere. It is also frequently the case that country-specific AID Missions and embassies resist spending on regional programs.

(Imagine the impact of comparable approach by our military – a unit prepared for combat in Afghanistan, and deployed there, could not be re-assigned to Iraq on grounds that the training money and equipment was earmarked for Afghanistan. How sustainable would that be?)

A way must be found to **empower a larger number of the best-performing NGOs** with track records (not just the four NED core grantees) **to pursue global strategies.**³³ In return for a lower overall level of spending, greater flexibility would enable and oblige each of them to utilize public funds for maximum impact.

Making available at least some **funding on a multi-year basis** would also permit these groups to maintain longer term relationships with key partners and allies in the

³³ This could conceivably apply also to contractors or other enterprises... professional bodies, etc.

international community, and to remain engaged in slow-moving environments at a modest level of activity until greater opportunities present themselves

Close the gap between overt and covert. An appropriate official in the national security apparatus ought to be empowered to examine the contribution to democratization being made by both the intelligence community and the American military presence – at least in key countries, if not everywhere. Whether that point of examination (“coordination” is not the right word as that would provoke preternatural resistance and obfuscation) would be at the National Security Council, or in an appropriate place in the Congressional oversight structure (intelligence committees?), or both, is worthy of some discussion.

Anticipate back-sliding. A ten-year follow-through strategy ought to be required of US Ambassadors in those countries that are seen to be crossing critical thresholds toward democratization. Too often, US policy too quickly presumes that an initial transition is more durable or substantial than it is and so funding and attention moves away from the “follow-through” on democracy. This enables corrupt habits to take hold, for authoritarian tendencies to re-emerge, for political processes to be skewed toward protection of the administration of the day rather than toward the strengthening of a system. Concerted, differently framed work to pressure governments, empower journalism and news media; schools and universities; and professional bodies to cultivate standards of democratic accountability and democratic citizenship.

Religion and democracy. A way must be found to incorporate the treatment of religion in the promotion of democracy. This probably needs to be figured out outside of government, though it could eventually be financed in some way by public funds, as ways have been found to support controversial activities such as political party development. How to reconcile religious devotion with political democracy is the principal issue of the Age, at home no less than abroad, and yet democracy promoters in and out of government almost universally operate as if it is of no interest or concern.

(A rare exception was the kerfuffle of activity in Washington in summer 2005 about the implications for democracy in Iraq of a draft constitution that would enshrine Shari’ a as the “sole source” of legislation in the country. But that was an isolated event, largely apart from the hundreds of millions of dollars currently being invested in Iraq’s potential democracy.)

The heart of this matter is how democracy promoters engage with the observant Muslim in a country on the cusp of democracy – the undecided ‘voter,’ as it were, who is trying to discern if the promise of political democracy can be reconciled with his interest in living in a society where respect for religious values prevails. Interestingly, as American democracy promoters have become adept at utilizing the global storehouse of democratic models (of elections, parties, legislature, constitutions, civil society laws and practices) they have lost sight of the uniquely

American experience of a highly religious population that thrives in a political democracy. No other society has as much of value to share in this regard.

This is a large discussion, for another occasion, but it should be noted as a significant gap in the democracy promotion enterprise, and its attendant literature.

Appendix 1

Being a Taxonomy of the Democracy Promotion Infrastructure

(or at least an annotated list of the organizational players active in democracy promotion circa 2005 -- mostly, but not exclusively, American)

This section describes in brief the array of governmental entities, non-governmental organizations and inter-governmental bodies that represent assets to the United States policy to promote democracy abroad.

The stirring language marshaled by President George W. Bush in his Second Inaugural address on January 20, 2005 to convey the enhanced American commitment to democracy promotion worldwide, is complemented by a succinct explication of the policy's rationale on the website of the State Department's Bureau for Democracy, Human Rights and Labor:

Democracy and respect for human rights have long been central components of U.S. foreign policy. Supporting democracy not only promotes such fundamental American values as religious freedom and worker rights, but also helps create a more secure, stable, and prosperous global arena in which the United States can advance its national interests. In addition, democracy is the one national interest that helps to secure all the others. Democratically governed nations are more likely to secure the peace, deter aggression, expand open markets, promote economic development, protect American citizens, combat international terrorism and crime, uphold human and worker rights, avoid humanitarian crises and refugee flows, improve the global environment, and protect human health.

With these goals in mind, the United States seeks to:

- *Promote democracy as a means to achieve security, stability, and prosperity for the entire world;*
- *Assist newly formed democracies in implementing democratic principles;*
- *Assist democracy advocates around the world to establish vibrant democracies in their own countries; and*
- *Identify and denounce regimes that deny their citizens the right to choose their leaders in elections that are free, fair, and transparent.*³⁴

Democracy promotion has indeed long been part of U.S. foreign policy – most conspicuously in during the administrations of Woodrow Wilson, Franklin Roosevelt and Harry Truman, through those of John F. Kennedy, Jimmy Carter and Ronald Reagan. Obviously, compromises and shifting priorities – during the Cold War, in particular – have bequeathed a mixed legacy of commitment and achievement. The effort, however, has indeed been made on a recurring, if not consistent, basis.

In the course of its first five years in office, the Bush Administration has largely built on the frameworks and policies inherited from presidents since Jimmy Carter, as well as more than two decades of increasingly frequent Congressional action – adjusting or earmarking appropriations, enacting country-specific legislation obliging the Administration to pursue assertive democracy-promotion efforts in key countries.

³⁴ State Department website: <http://www.state.gov/g/drl/democ/> (accessed July 5, 2005)

With the curious exception of the U.S. Agency for International Development, which has downgraded democracy programming as a priority internally, and seen itself diminished in inter-Agency deliberations about democracy strategies and programming, the present Administration has utilized the tools it found upon arrival in Washington in January 2001, often by increasing funding for existing mechanisms and organizations. It has added several new 'tools,' but it is mostly too soon to know what to make of them.

National Endowment for Democracy (and its "family")

www.ned.org

Arguably the most important and visible facet of the American commitment to promote democracy worldwide over the past quarter century has been the **National Endowment for Democracy** and its "family" of related organizations, whose purpose was articulated in the famous speech by President Ronald Regan to the British Parliament at Westminster in June 1982.³⁵ The Endowment was the product of a genuinely bipartisan Washington consensus that the United States ought, in some discrete manner and at modest levels of funding, support the work of American civic groups who desired to help their peers, counterparts and kindred spirits in other countries work for democratic change. The Endowment's creation also constituted an acknowledgement that there were limits to what the U.S. Government itself could or should do in this regard, at least in the context of the Cold War.

The unifying purpose of NED's work, according to its website, is "to create a community of democrats, drawn from the most developed democracies and the most repressive autocracies as well as everything in between, and united by the belief that the common interest is served by the gradual expansion of systems based on freedom, self government, and the rule of law." Privately incorporated and governed by an independent, nonpartisan board of directors, the NED makes hundreds of grants each year to support pro-democracy groups in every region of the world.

In operation now for more than two decades, the Endowment and its novel style of operation have become an established part of the institutional landscape of Washington's international engagement.³⁶ Thus it was appropriate that President George W. Bush made one of his most important policy declarations on the subject at the 20th Anniversary of the Endowment's founding, in a speech on November 6, 2003.³⁷

Created in 1983, the Endowment today lies at the center of a network of scores of non-governmental organizations, American and non-American, providing practical and technical assistance, political solidarity and occasionally financing, to (mostly) non-

³⁵ See President Reagan's speech of June 8, 1982 "Promoting Democracy and Peace," at: <http://www.ned.org/about/reagan-060882.html>

³⁶ A detailed history of the Endowment, including legislative struggles over its funding in the 1980s and 1990s, can be found at: <http://www.ned.org/about/nedhistory.html>

³⁷ See White House website at: <http://www.whitehouse.gov/news/releases/2003/11/20031106-2.html>

governmental initiatives to promote political democracy around the world. It embodies the concept of what was often described two decades ago, when the NED was launched, as “private work in the public interest.”

Inspired in some ways by the work of the German political party *stiftungen* (foundations) that had provided advice and training to sister parties in Spain and Portugal during the dictatorships on the Iberian peninsula (work that was widely seen to have contributed in important ways to the eventually stable, democratic outcomes in those two countries in the 1970s), the Endowment was given a relatively free hand by the Congress and the Administration to develop programming styles and partnerships abroad.

A central premise of the Endowment from its outset has been that taxpayers’ money would be appropriated to an enterprise operating as an autonomous private foundation because: (a) there would be partners and recipients of this assistance with whom the United States Government might not want to be directly associated – mainly in the interests of maintaining other relationships with the Government of a country in which the Endowment grantees were working for system change; and (b) some likely recipients might not want to be seen to be taking money or advice from the U.S. Government (but would deserve and welcome American assistance if it were not provided directly from the U.S. Administration of the day).

While the usual USG financial management and reporting rules apply (e.g., regular, professional audits; no co-mingling of funds with other sources; no alcoholic beverages; travelers must fly on U.S. air carriers; etc), program decisions are entirely autonomous – with one generic and recurring caveat (as noted below). NED decisions, and the proposals of those organizations funded, are subject to Freedom of Information Act (FOIA) requirements.

Funds allocated to the Endowment may be spent anywhere in the world, notwithstanding other U.S. policies, such as sanctions or embargoes, etc. There are a few red lines in its mandate, such as one barring any support for groups associated with violence. The Endowment is obliged by law to “inform” the State Department (which has come to mean that all proposals funded are sent to the Department, though rarely does this lead to a reply). No one in the U.S. Government may veto a program or direct that a program be funded.

The caveat to the assertion above that all decision-making by the Endowment is independent of official U.S. policy-makers is that there has emerged over the years a practice, utilized by the Congress and several Administrations, to hand over to the Endowment the management of additional funds beyond the core appropriation, that have been appropriated, ear-marked or administratively set aside for democracy promotion work in a particular country.³⁸ Ironically, the Endowment’s track record over two

³⁸ The first instance came in 1987, when the Congress set aside \$1 million to aid the democratic opposition in Chile in advance of the 1988 referendum on whether General Augusto Pinochet’s rule would be continued for another seven years. In 1990, similar provisions were made to entrust the Endowment with management of \$3.6 million to aid “democratic forces” in Sandinista-ruled Nicaragua. Since then, there

decades, operating as an autonomous body and developing a profile abroad as something distinct from the U.S. Government, has made it an attractive place for enthusiasts in both the Congress and the Executive to send funding its way, often with strings attached that may effectively undermine the very asset that has made the Endowment successful – its independence. The Administration decision in early 2004 to ask Congress for a doubling of the NED’s budget, from \$40 million (in FY04) to \$80 million (in FY05) represents the pinnacle of this trend, in that the entirety of the increase was directed to be utilized in the Middle East. As can be seen in the report of the Senate Appropriations Committee (attached as an appendix to this paper), this has now led to a follow-on effort to designate funding for each region of the world, further depriving the Board of Directors of their autonomy to make policy decisions on who and what to fund.

Add-on funding in the amount of \$19.5 million for specific countries and regions, in addition to the ‘core’ funding (\$59.8 million), meant that the Endowment was responsible in FY2005 for a total budget of about \$79 million. This has supported more than 225 civil society groups in 45 countries, in addition to the work of some of the major American NGOs.

The Endowment also maintains (since 1994) an adjunct research and publications operation, in the International Forum for Democratic Studies, and its quarterly *Journal of Democracy*. Moreover, the Endowment has nurtured the World Movement for Democracy and affiliated regional groups. The *World Movement for Democracy* is a global network of democrats including activists, practitioners, academics, policy makers, and funders, who have come together to cooperate in the promotion of democracy.³⁹

The NED Family

More than half the funds allocated to the Endowment each year go to the four “core” grantees that were established as part of the consensus creation of the Endowment.⁴⁰ Like the Endowment itself, they are privately incorporated, charitable 501 (c) 3 non-profits with distinct legal and financial controls from the parent organizations that

have been about 20 occasions on which Congressional action has designated funding to be managed for country-specific situations. See Appendix 2, the Senate Appropriations Committee report of June 30, for examples of earmarks likely to be enacted this year directing the Endowment to spend money on countries, types of work, or to make grants to specific organizations.

Sometimes these actions have other instructions or restriction (about recipients or purposes) that effectively constrain the Endowment’s autonomy. Often these instructions are negotiated with Endowment officials, so they have tended not to be seen as limiting, though each such action does effectively undermine one of the principal assets of the Endowment – its independence from government direction.

³⁹ For more information, see: <http://www.wmd.org/about/information.html>

⁴⁰ The core grantees of the Endowment, consistently receiving 55% of its annual appropriation, are the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI), the Center for International Private Enterprise (CIPE), and the American Center for International Labor Solidarity (Solidarity Center), each of which also is funded by other sources, in the US Government and otherwise, but all of which are supported in an important way by flexible funding from the Endowment, as explained in this paper.

sponsor them. Though each of these groups also receives funding from other sources – in the U.S. Government, the private sector, and from abroad – the funding allocated to them through the Endowment is an important source of their identity, autonomy and operational flexibility. The annual allocation of funding to the institutes, funding which is quite flexible and fungible⁴¹, enables them to maintain their profiles as organic civic organizations linked to counterparts around the world, as noted in the summary descriptions below. Each maintains a complementary global network of peers that serve as resources and advisors, as well as beneficiaries.

National Democratic Institute for International Affairs (NDI)

www.ndi.org

The largest of the Endowment’s core grantees, in terms of staff, budget and range of countries and programs, NDI describes itself as “a nonprofit organization working to strengthen and expand democracy worldwide. Calling on a global network of volunteer experts, NDI provides practical assistance to civic and political leaders advancing democratic values, practices and institutions. NDI works with democrats in every region of the world to build political and civic organizations, safeguard elections, and to promote citizen participation, openness and accountability in government.”

Associated with the Democratic Party (and chaired by former Secretary of State Madeline Albright), NDI draws for expertise from several domestic and international networks, including the three principal international political party associations (the Liberal International, the Centrist Democratic International – formerly the Christian Democratic International – and the Liberal International, which include between them 336 political parties in 146 countries). It presently maintains offices in more than 50 countries and maintains working relationships in about another 25. It has a staff of more than 1,000 people, most working in their own country. 175 are in the Washington headquarters; 135 are expatriates assigned to third countries, and well over half are non-Americans.

The institute works principally to strengthen political parties, on an inclusive, multi-party basis, as well as civic groups that are active in the political process – as watchdogs of electoral processes or government operations. Other major components of its work include advisory assistance to legislatures, usually at the national level, advice to elections systems designers and administrators, civil-military relations, women’s rights advocates, and related enterprises.

The sources of NDI’s funding are presented here in a bit more detail than others in part to illustrate a trend that is, to varying extents, true of all the major NGOs in this field. Funding is diverse, from US and non-American public and private sources – and the USG

⁴¹ All spending of the allocation must be done pursuant to project proposal and budgets that must be approved by the Board of Directors of the Endowment, at quarterly meetings, but unspent money can always be re-framed into a new project in another country or kind of activity. Unlike the money that is available to the same institutes from USAID or the State Department, which is tied to countries and specific activities, the NED money – in the view of its proponents – enables the grantees to be more nimble and to respond to new opportunities quickly, and to close down unproductive lines of work.

funding comes from several agencies and bureaus. This diversity helps NDI maintain a sense of identity and purpose apart from the US government (or any particular agency in the USG) – both in the eyes of its own people, and in the eyes of those abroad with whom it works, who often see NDI (and its counterparts) as largely autonomous of the U.S. Government because of the style in which they work.

The Institute spent \$57.4 million in its fiscal year ending September 30, 2004. (The arrival of very large amounts of funding for work in Iraq in the last two years has skewed budgetary discussions in substantial ways, and ought to be treated almost completely apart.⁴²)

After receiving its core allocation of \$6.5 million from the NED in FY 04, NDI also received another \$2 million in country-specific grants (apart from \$18 million for Iraq that came via the NED late in the fiscal year). Most of its funding came via USAID, at about \$40 million – though this includes funding from the State Department’s MEPI program, funding under the SEED Act (for the Balkans) controlled by the Special Coordinator’s office in the State Department, and otherwise. NDI also received in FY04 \$4.2 million from agencies of foreign governments (the British Department of Foreign and International Development, UNDP, other bilateral donor agencies, etc). Finally, NDI spent in FY04 \$1.1 million in “unrestricted” private contributions to its general fund.

International Republican Institute (IRI)

www.iri.org

Associated with the Republican Party (and chaired by Senator John McCain), IRI describes itself as “a nonpartisan nonprofit organization [that] supports the growth of political and economic freedom, good governance and human rights around the world by educating people, parties and governments on the values and practices of democracy.” Its principal international network is to be found in the International Democrat Union, the conservative international association of political parties.

The Institute’s total expenditures in the fiscal year ending September 30, 2004 was \$XYZ million. In addition to the same core allocation from the NED as goes to NDI (\$6.5 million), IRI received an additional \$ abc million via the NED (including \$xxx for Iraq). From USAID came another \$yyy million, including funding routed through USAID from the State Department’s MEPI Program and others accounts.

IRI received minimal funding from non-US agencies, and \$# million in “unrestricted” private contributions from supporters.

Center for International Private Enterprise (CIPE)

⁴² The \$57.4 million in expenditures from all sources included \$5.5 million in Iraq, out of signed agreements with the USG for \$38 million. As this suggests (a \$50 million annual budget being supplemented by \$40 million for a single country, when the largest single-country programs had rarely exceeded one million), the size of NDI’s budget and operations has almost doubled in a single year as a result of Iraq.

www.CIPE.org

According to its website, the Center for International Private Enterprise (CIPE) is “an independent, non-profit affiliate of the U.S. Chamber of Commerce.” As one of the four core institutes of the National Endowment for Democracy, CIPE promotes democratic and market-oriented economic reform “by working directly with the private sector in developing countries.” CIPE administers a worldwide grants program and furnishes technical assistance through field offices overseas. CIPE’s strategy focuses on the following program areas: “Mobilizing the business sector for public policy advocacy; building knowledge of how markets function in a democracy; advancing privatization as a key step to improved competitiveness; promoting freedom of economic information; establishing property rights and the rule of law; involving the private sector in rebuilding post-conflict environments; combating corruption; promoting sound corporate governance measures; strengthening the role of women-owned businesses and women’s business associations; and bringing the informal sector into the formal economy.”

In addition to the description of CIPE programs available on the website, a valuable discussion of the institute’s conceptual foundation is contained in a 2004 report “Democratic Governance: the Key to Political and Economic Reform,” published by CIPE as *Economic Reform Issue Paper No. 0405*.⁴³

In FY04, CIPE’s budget was about \$11 million, 60% of which came from the \$6.5 million allocation from the National Endowment for Democracy. The remainder came principally from grants or cooperative agreements from USAID.

American Center for International Labor Solidarity (The Solidarity Center)

www.solidaritycenter.org

The Solidarity Center is an “allied organization” supported and sponsored by the AFL-CIO, the national federation of labor in the United States that represents 13 million working men and women.⁴⁴ According to its website, Solidarity Center programs promote the policy objectives and priorities of the AFL-CIO and the American labor movement: “to foster greater respect for the fundamental rights of working people throughout the world and to promote global economic and social justice.” It was created in 1997 with a global mandate, replacing four regionally oriented institutes that were dissolved.

In response to partner requests, the Solidarity Center provides a wide range of education, training, research, legal support, organizing assistance, and other resources to help build strong and effective democratic trade unions “and more just and equitable societies.” The Center's education programs feature training in basic human and worker rights, union

⁴³ Available on line at: <http://www.cipe.org/publications/education/ip/IP0405.pdf> (January 22, 2004)

⁴⁴ Although several major unions, including about a third of all union members in the U.S., withdrew from the AFL-CIO at the time of its quadrennial convention in July, these unions (SEIU and UNITE Here) have been among the most active supporters of the Solidarity Center. It remains unclear what impact the split may have on the Solidarity Center.

skills, advocacy, occupational safety and health, economic literacy, and civic and voter education. Programs are designed for workers, unions, and community organizations in developing societies, particularly those seeking to promote democracy and play an essential role in creating public policies in their countries.

The Solidarity Center receives funding from both public and private non-profit sources. Funding sources include the U.S. Agency for International Development, the National Endowment for Democracy, the U.S. Department of State, the U.S. Department of Labor, the AFL-CIO, private foundations, and national and international labor organizations.

Its international networks are organized principally around the International Confederation of Free Trade Unions, the global association of democratic unions that includes virtually all unions operating in free market economies and others around the world.

In FY04, its overall budget was about \$20 million, including the \$6.5 million allocation it receives from the NED. The remainder comes principally from USAID, in a global cooperative agreement that provides \$9 million each year, and diverse country-specific grants from USAID Missions. Other funding comes from the State Department, the Labor Department and contributions from member unions of the AFL-CIO.

Beyond the NED Family

Among the other U.S.-based organizations operating internationally in support of democratization initiatives, mostly with funding from the U.S. Government, that are not “core grantees” of the NED, the major ones are the following:

IFES – Democracy at Large (formerly the International Foundation for Election Systems) www.ifes.org

Created in 1987, IFES is “an international, nonprofit organization that supports the building of democratic societies.” It is different from other major U.S. actors in this field in several ways, starting with the fact that its Board of Directors includes several non-U.S. citizens, and that it works to improve elections in the United States, as well as abroad. IFES operates as both an NGO and as a government contractor (principally for the U.S. Government, but also for other governments). An established leader in election administration, IFES has also expanded its program portfolio to include “the interconnected services that span the spectrum of democracy” – working to promote “an engaged civil society, the rule of law, respect for human rights and public officials who are accountable to the citizens they serve. Together with fair and transparent elections, these elements form the foundation for sustainable democracy.”

In 2003, the organization changed its name from the International Foundation for Election Systems to “*IFES – Democracy at Large*.” Its budget in 2004 was \$75 million, though (in contrast to other budgets described in this section) a large portion of that was

involved in preparing and supplying commodities (ballot papers, ballot boxes, office equipment for election administrators, etc).

Freedom House

www.freedomhouse.org

Freedom House was launched in 1941 as a lobby group to urge that the United States enter World War II in the war against fascism. Over the years since, it has been active in American debates over rights and freedoms (most conspicuously during the Civil Rights movement of the 1950s and 1960s). Freedom House is governed by a Board of Trustees composed of leading Democrats, Republicans, and independents; business and labor leaders; former senior government officials; scholars; writers; and journalists.

Freedom House publishes an array of annual and occasional reports on civil liberties and political rights around the world, including the flagship ***Freedom in the World*** published annually since 1972 (and now utilized by the Millennium Challenge Corporation as one of 16 indices of country performance that determines a country's eligibility for participation in the MCC aid program). For at least the past 15 years, it has been active abroad, through field offices and in exchanges and training programs, to assist human rights defenders, journalists and other civil society actors in places where they are working to expand the boundaries of freedom in their own countries. So, in addition to performing work similar to other human rights organizations – “naming and shaming” repressive governments, highlighting cases of human rights violations, and advocating for the U.S. and other governments (and the UN system) to live up to their commitments to defend and advance human rights and political liberty, Freedom House seeks to build the capacity of counterparts in countries around the world.

Its budget/spending in FY04 was \$21 million (25 percent from private sources) and it maintained 15 offices abroad.

The Carter Center

<http://www.cartercenter.org/peaceprograms/program13.htm>

Founded in 1982 by former U.S. President (and 2002 Nobel Peace Prize winner) Jimmy Carter and his wife Roslyn, the Carter Center's “Peace Programs” include several inter-related programs in election monitoring, assistance to human rights defenders and activities intended to promote transparency, governmental accountability and the rule of law – all intended, according the website, “to give people control over how they are governed.” With a modest staff, the Center makes a big splash, largely due to the frequent personal involvement of President Carter in many of its programs. In Latin America, the Middle East, sub-Saharan Africa, and in China, the Carter Center is well known and can draw on a global network of other former leaders, such as in the Council of Freely Elected Heads of State and Government, which has been active in pressing for a Democratic Charter for the Americas.

Its democracy promotion budget in FY04 (housed in several programs at the Center) was about eight to nine million dollars – which was divided roughly in thirds, one-third from USAID and other USG sources; one-third from other governments; and one-third from foundations and private contributions.

Internews

www.internews.org

Internews assists journalists and media managers to improve access to information for people around the world by fostering independent media and promoting open communications policies by governments. Internews' programs "are built on the conviction that providing people with access to vibrant, diverse news and information empowers them to make their voices heard and to participate effectively in their communities."

In addition to an informal global network of journalists and media professionals who participate as experts or trainers in programs, Internews is a founding member of *Internews International*, founded in 1996 and based in Paris, whose members currently work in 51 countries worldwide, spanning Africa, Asia, Europe, the Middle East, and North America, providing media content, training journalists and editors/producers, and advocating for laws respecting open media.

Internews trains more than 8,000 media professionals each year. Last year Internews produced or facilitated the production of 5,400 hours of television and radio programming, which reached a potential audience of 293 million radio listeners and 336 million TV viewers. Internews has advocated for fair media laws in 15 countries, and has worked for open and accessible Internet policy and liberalized telecommunications policy in 26 countries.

Internews is primarily supported by grants, from an array of private foundations as well as major funders using taxpayers' money – the National Endowment for Democracy, U.S. Agency for International Development and the State Department's DRL Bureau. The organization had a budget of \$27 million for 2004, about 90 percent of which came from U.S. taxpayers.

American Bar Association – Central and Eastern European Law Initiative (CEELI)

<http://www.abanet.org/ceeli/home.html>

CEELI is, according to its website, "a public service project of the American Bar Association that advances the rule of law in the world by supporting the legal reform process in Central and Eastern Europe, Eurasia and the Middle East. Through its volunteer legal liaison program as well as its training institute in Prague, CEELI makes available American and European legal expertise and technical assistance for these emerging democracies in modifying and restructuring laws and legal systems.

“CEELI is designed to be responsive to the needs and priorities of the countries of Central and Eastern Europe and the NIS, not those of the U.S. participants or sponsors. Accordingly, the work of CEELI remains heavily influenced by consultations with government and non-government officials, legal scholars, and practitioners from the host countries. CEELI currently has offices in 23 countries across Central and Eastern Europe, the former Soviet Union and the Middle East.”

Because its programs depend so heavily on *pro bono* legal services, its operating budgets do not accurately reflect the value of its programs. The organization says that “since its founding in 1990, more than 5,000 judges, attorneys, law professors and legal specialists have contributed over \$180 million in *pro bono* assistance.”

Other American NGOs, QUANGOS and GONGOs⁴⁵

There are dozens of other organizations working in the field, including some that do not identify themselves explicitly as “democracy promotion” organizations, even those that were created or are funded by the U.S. Congress to be such. For instance, two organizations that do not include the word “democracy” anywhere on their websites, yet ought to be understood to be part of the larger American enterprise in this respect, are:

The Eurasia Foundation (www.eurasia.org) is “a privately managed grant-making and operating organization dedicated to funding programs that build civil society and private enterprise in 12 countries of the former Soviet Union.” It began making grants in June 1993 and, with funding to date of over \$225 million from the Agency for International Development (USAID), has maintained a core program of \$20-30 million per year ever since. The Eurasia Foundation also serves as a vehicle for public-private partnerships, having raised nearly \$60 million from non-U.S. government sources to provide additional support to its field programs.

The Asia Foundation (www.asiafoundation.com), founded more than 50 years ago by the U.S. Government. TAF is a non-profit, non-governmental organization “committed to the development of a peaceful, prosperous, and open Asia-Pacific region.” The Foundation supports programs in Asia that help improve governance and law, economic reform and development, women's empowerment, and international relations. Drawing on 50 years of experience in Asia, the Foundation collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research. With a network of 17 offices throughout Asia, an office in Washington and its headquarters in San Francisco, the Foundation addresses these issues on both a country and regional level. In 2004, the Foundation provided more than \$72 million in program support and distributed almost 800,000 books and educational materials valued at \$28 million throughout Asia.

⁴⁵ These acronyms refer to the overlapping descriptions, sometime used pejoratively, of private enterprises that rely principally or entirely on government funding – so in addition to “NGOs” (non-governmental organizations), there are QUANGOs (quasi-non-governmental organizations) and GONGOs (government organized non-governmental organizations). In this paper we refrain from attaching these latter two labels to specific groups, as they all prefer to be called NGOs.

The Major Government Actors

US Agency for International Development

USAID is by far the biggest player in the democracy promotion arena, in terms of dollars, countries, numbers of partners in the U.S. and abroad. As noted in the main text, USAID handles about \$1.3 billion in programs that it places under the rubric “Democracy and Governance” including those in the sub-headings of “rule of law,” “civil society,” “elections and political processes,” “democratic governance” and a smidgen of “civil military relations.” In the appropriations bill now pending in the US Senate for FY 2006, USAID would receive an earmark of \$1.448 billion for “Democracy and Governance.”

The link below, to the **Office of Democracy and Governance** at USAID, reflects a high level of expertise in thinking about these programs and this office marshals the experience that has been gained over 15 years by the Agency, its grantees and contractors. http://www.usaid.gov/our_work/democracy_and_governance

Unfortunately, this office (highly regarded by the democracy promotion community outside of government) is not typical of the way that AID interacts with its partners in designing and implementing programs, as the Agency is highly decentralized. Each of the 90 Missions abroad essentially can design and fund democracy programs to its liking (or opt not to engage in democracy promotion at all), and this leads to a great deal of inconsistency and frustration on the part of the NGOs and contractors that are called upon to implement these programs, or who find funding not available for work they see as urgent.

In addition, other accounts also initiate and finance democracy promotion work. For instance, in an explicit acknowledgement of the fact that USAID’s procedures are often not suited to exploit short-term targets of opportunity, the **Office of Transition Initiatives** (OTI) was created within USAID’s humanitarian bureau in 1994 “to provide fast, flexible, short-term assistance to take advantage of windows of opportunity to build democracy and peace. It lays the foundations for long-term development by promoting reconciliation, jumpstarting economies and helping stable democracy take hold.”

OTI boasts that it has specifically encouraged “a culture of risk-taking, political orientation, and swift response among its staff and partners.” Moreover, OTI is funded by a separate “Transition Initiatives” budget account with special authorities that allow immediate spending where it is most needed. Finally, OTI created a novel contracting mechanism that preserves the principle of competition while allowing quick start-up in new countries and direct grants to small, indigenous organizations. See its website at:

http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/index.html

Millennium Challenge Corporation (MCC)
http://www.mcc.gov/about_us/overview/index.shtml

The MCC is a new government corporation, created by Congress in January 2004, to administer a radical new approach to assisting international development that is to complement the work of USAID (in ways that are still being defined). This is in fulfillment of the pledge made by President Bush, in a speech at Monterrey, Mexico at a UNDP conference on development, eventually to enlarge U.S. foreign assistance by \$5 billion annually.

The new approach is to reward good governing performance by governments (by making substantial sums available to a handful of developing countries) rather than focus solely on humanitarian and other needs and spread money widely and thinly. The Corporation is designed to make maximum use of flexible authorities to optimize efficiency in contracting, program implementation, and personnel, and to turn over to the beneficiary countries much of the authority for implementing agreed programs. (Rather than have an American agency contract with experts, for instance, the beneficiary nation may do so.)

The 16 official criteria for determining which countries shall be eligible for this program fall into three categories: “encouraging economic freedom,” “investing in people,” and “ruling justly” (sometimes rendered by officials as “governing wisely”). This last category includes standards of political democracy, and the MCC has decided to rely, in part, on the annual survey done by Freedom House (*Freedom in the World*) to assess political rights and civil liberties (two of the six dimensions contained in the ‘ruling justly’ category). As one close student of the program has noted, “the significant size of the MCA grants should legitimize democratic reforms by providing concrete benefits to ordinary citizens, especially if democracy is perceived to be an eligibility criterion, and then the benefits are distributed in wide-impact areas such as agriculture, education, and health.”⁴⁶

However, it is also true that countries are not obliged to include any activities related explicitly to democratic governance or politics in the programs, called “compacts,” that they negotiate with the Corporation. The contribution to democratization thus comes obliquely, in the form of the carrot the potentially substantial aid represents, and the requirement that a country have already crossed a threshold of “ruling justly.” There is also a requirement that governments develop their plans for the aid through a consultative process that includes a significant civil society component.

The largest increase in the Foreign Operations budget for FY2006 is directed toward the MCC (the Administration requested \$3 billion, double last year, though the Senate bill contains only \$1.8 billion, and the Committee chastises MCC management for

⁴⁶ Elizabeth Spiro Clark, “The Millennium Challenge Account: Spur to Democracy?” *Foreign Service Journal*, April 2005, pp 31-35.

its very slow pace in getting money moving, noting that, of \$2.5 billion appropriated in the past two years, only \$34 million has been committed.)

The MCC is managed by a Chief Executive Officer appointed by the President and confirmed by the Senate and overseen by a Board of Directors composed of the Secretary of State, the Secretary of Treasury, the U.S. Trade Representative, the Administrator of USAID, the CEO of the MCC and four public members, appointed by the President with the advice and consent of the Senate. The Secretary of State is the Chairman of the Board.⁴⁷

Yet the MCC had such a deliberate start-up that the first Administrator of the program was ousted after barely a year in office (in May 2005) for not having gotten actual resources to qualifying countries quickly enough.⁴⁸ By July 2005, four countries (Madagascar, Cape Verde Islands, Honduras and Nicaragua) had recently signed four- or five-year “compacts” with the MCC for a total value of \$610 million.)

State Department/Bureau for Democracy, Human Rights and Labor (DRL)
www.state.gov/g/drl

In addition to responsibilities related to U.S. participation at the UN Human Rights Commission and regional counterparts where these issues arise – and serving as ‘point’ on certain country specific issues – the Bureau (created during the Carter Administration) has steadily gained influence over the past dozen years. At present, the Bureau is featured in the ADVANCE Democracy Act provisions in several ways, including the proposal to create (in the spirit of the Mark Palmer book cited earlier) a new **Office of Democratic Movements and Transition**. Indeed, the Senate appropriations bill earmarks \$5.7 million to create and staff this office (in addition to \$21 million appropriated for the existing function of the Bureau).

At present there are three large functions the Bureau performs, each with a global range, that position the Bureau as a major actor.

First, it compiles the annual report to Congress on ***Country Reports on Human Rights Practices***, an annual months-long exercise in which embassies and regional bureaus do battle with DRL over the tone and language used to describe the situation in every country in the world. In light of the President’s heightened commitment, as he put it in his Second Inaugural, “to seek and support the growth of democratic movements and institutions in every nation and culture,” these reports are the object of more scrutiny than ever, within State and in countries around the world.

⁴⁷ A good summary discussion, including the concerns about the Corporation’s about slow start, can be found in Congressional Research Report RL32427, *The Millennium Challenge Account; Implementation of a New U.S. Foreign Policy Initiative*, at: <http://fpc.state.gov/documents/organization/47064.pdf>

⁴⁸ Find *NYTimes* article on Applegarth’s ouster.

Since 2003, the Bureau has also been responsible for compiling a new report entitled *Supporting Human Rights and Democracy: The U.S. Record*. Whereas the former report is about (mostly) the actions of other governments, the new report is about the actions of the United States government, and it obliges DRL, working with embassies, to explain what the various parts of the U.S. presence in a given country have done to advance democracy and human rights. This includes aid programs, bilateral diplomatic intercourse, multilateral diplomacy, etc. It is a widely underappreciated treasure trove of U.S. actions on democracy and human rights, from the important and interesting to the inane and bureaucratic.⁴⁹

Second, the Bureau is responsible for U.S. policy and implementation of policy on several global agenda items: trafficking in persons; religious freedom; and respect for labor rights internationally. Each of these has distinct offices and resources, and legislated mandates.

Third, the Bureau has become a source of funding and programming in the **Human Rights and Democracy Fund (HRDF)**, which is DRL's allocation of the Economic Support Fund (ESF). It is used to fulfill the Bureau's mandate to monitor and promote human rights and democracy worldwide. According to the State Department website, the Fund “supports innovative programming designed to uphold democratic principles, support democratic institutions, promote human rights, and build civil society in countries and regions of the world that are geo-strategically critical to the U.S.”

Created in the Clinton Administration, it has become in the Bush Administration, quite substantial, as funding has grown from \$13.4 million in FY2000 to \$75 million for the forthcoming year. See lists of projects at: <http://www.state.gov/g/drl/c12440.htm>

Middle East Partnership Initiative (MEPI)

<http://mepi.state.gov/>

MEPI is the administration's primary diplomatic policy and programmatic tool to support the new U.S. policy, described by President Bush, in his November 6, 2003 speech at the National Endowment for Democracy, as “a forward strategy of freedom in the Middle East.”

MEPI is structured into four reform areas. In the **economic pillar**, MEPI policy and programs support region-wide economic and employment growth driven by private sector expansion and entrepreneurship. In the **political pillar**, MEPI champions an expanded public space where democratic voices can be heard in the political process, the people have a choice in governance, and there is respect for the rule of law. In the **education pillar**, MEPI supports education systems that enable all people, including girls, to acquire the knowledge and skills necessary to compete in today's economy and improve the quality of their lives. Finally, in the **women's pillar**, MEPI works toward

⁴⁹ See the most recent report, for 2004, at: <http://www.state.gov/g/drl/rls/shrd/2004/>

economic, political, and educational systems where women enjoy full and equal opportunities.

MEI has spent a total of \$293 million in its first four years. \$120 million has been requested for FY 06 (and included in Senate report of June 30).

Broader Middle East and North Africa Initiative (BMENA)

On June 9, 2004, members of the G-8 nations adopted a declaration titled "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa," at the Sea Island Summit near Savannah, Georgia. This was seen as a historic step in the "efforts to advance freedom, democracy, and prosperity in the region."

Morocco hosted the first "Forum for the Future" on December 11, 2004 at the Ministry of Foreign Affairs and Cooperation in Rabat. A preparatory sub-ministerial meeting was held on December 10, 2004 in the same venue. As the centerpiece of the partnership with the BMENA region, the Forum brought together Foreign and Economic Ministers from the G8 and the BMENA region. Bahrain will host the next "Forum for the Future" in November 2005

Related documents can be found: <http://www.state.gov/e/eb/ecosum/future/c13173.htm>

Department of Defense

Expanded IMET Administered under the Defense Security Cooperation Agency, which is principally charged with foreign military sales, the E-IMET program is intended to train foreign military personnel to be more professional in their work and not incidentally to "expose students to the U.S. professional military establishment and the American way of life, including amongst other things, U.S. regard for democratic values, respect for individual and human rights and belief in the rule of law."⁵⁰

According to the Defense Department website, the "Expanded-IMET" program was established in FY90 "for the purposes of educating U.S. friends and allies in the proper management of their defense resources, improving their systems of military justice in accordance with internationally recognized principles of human rights and fostering a greater respect for, and understanding of, the principle of civilian control of the military. The program is based upon the premise that active promotion of democratic values is one of the most effective means available for achieving U.S. national security and foreign policy objectives and fostering peaceful relationships among the nations of the world.

⁵⁰ See: http://www.dsca.osd.mil/home/international_military_education_training.htm

“The current international environment affords a unique opportunity for us to share our democratic principles with other countries... (e.g.) To foster greater respect for and understanding of the principle of civilian control of the military; To improve military justice systems and procedures in accordance with internationally recognized human rights; To introduce military and civilian participants to the U.S. judicial system, the two-party system, the role of a free press and other communications media, minority problems, the purpose and scope of labor unions, the U.S. economic system, educational institutions, and the way in which all of these elements of American democracy reflect the U.S. commitment to the basic principles of internationally recognized human rights.”⁵¹

IMET is slated to be funded at \$86.7 million in FY2006, though it is not clear how much will go to the “Expanded-IMET” that focuses on this training in democratic virtue.

Department of Justice

International Criminal Investigative Training Assistance Program (ICITAP).

ICITAP'S mission, according its website, is “to serve as the source of support for U.S. criminal justice and foreign policy goals by assisting foreign government in developing the capacity to provide professional law enforcement services based on democratic principles and respect for human rights. It was created by DOJ in 1986 to respond to a request from the Department of State for assistance in training police forces in Latin America. Since then, ICITAP's activities have expanded to encompass two principle types of assistance projects: (1) the development of police forces in the context of international peacekeeping operations, and (2) the enhancement of capabilities of existing police forces in emerging democracies. Assistance is based on internationally recognized principles of human rights, rule of law and modern police practices. It is now working on a global mandate, and is working in some countries that, in democratization terms, are over the horizon, such as Turkmenistan.”⁵²

Department of Labor

Bureau of International Labor Affairs (ILAB) carries out the international responsibilities of the Department of Labor under the direction of the Deputy Under Secretary for International Labor Affairs. Various grants and contract to work in other countries to battle child labor and other injurious practices, that might relate to democracy promotion and human right policies.

⁵¹ See: http://www.dsca.osd.mil/programs/eimet/eimet_default.htm

⁵² See DOJ website: <http://www.usdoj.gov/criminal/icitap/upcoming.html> For a complementary review of the program, see the website of the Washington Office on Latin America (WOLA): <http://www.ciponline.org/facts/icitap.htm>

Non-American NGOs and QUANGOs and GONGOs

A flavor of the wealth of resources available in this field can be had by perusing the following websites of *some* of the leading non-U.S. organizations active in the field:

International IDEA (Stockholm)	http://www.idea.int/
Westminster Foundation for Democracy (London)	http://www.wfd.org/
Netherlands Institute for Multi-Party Democracy	http://www.nimd.org/
Club de Madrid (Spain)	http://www.clubmadrid.org/
Foundation Jean Juares (Paris)	http://www.jean-juares.org

University Centers

There are a growing number of university centers and programs focusing on democracy promotion. Some of the better known include the following:

Stanford University (Hoover Institute)	http://cddrl.stanford.edu/
University of California at Irvine	http://www.democ.uci.edu/resources
University of Oklahoma at Tulsa	http://tulsagrad.ou.edu/csdc/
Australian National University	http://democratic.audit.anu.edu.au/
Georgetown University	http://www.georgetown.edu/centers/cdats/

The Contractors

Each of the firms listed below has its own mission, expertise, management and operational style, pool of experts and experience. Some are actually non-profits, though those listed here tend to rely principally on contracts from USAID for their work internationally in democracy promotion, including some that might otherwise (were it not for their views of government contracts) be included in the discussions of the more high profile democracy promotion NGOs described earlier in this section.

All those listed here have won contracts in recent years to perform democracy promotion work for USAID (and in some cases for other agencies or governments, as well).

DG Consulting Firms

Chemonics International, Inc.	www.chemonics.com
Development Alternatives, Inc.	www.dai.com
Associates in Rural Development	www.ardinc.com
Research Triangle Institute	www.rti.org
Management Systems International	www.msiworldwide.com
Creative Associates International	www.caii.net
PADCO	www.padco.aecom.com
Checchi and Company Consulting	www.chechiconsulting.com
Development Associates, Inc.	www.devassoc.com
Democracy International, Inc.	www.democracyinternational.us
DPK Consulting	www.dpkconsulting.com
Abt Associates Inc.	www.abtassociates.com
AED	www.aed.org
World Learning	www.worldlearning.org
Some of the contractors exist or other purposes, as professional associations or the like, and perform international work under contract as a sideline. These include:	
National Conference of State Legislators	http://www.ncsl.org/
National Center for State Courts	www.ncsconline.org
SUNY Center for Int. Dev.	www.idg.suny.edu
ICMA	www.icma.org
Urban Institute	www.urban.org

Also, among the big accounting/financial firms involved in DG work:

Bearing Point, Inc.	www.bearingpoint.com
The Louis Berger Group, Inc.	www.louisberger.com
Deloitte Touche Tohmatsu	www.deloitte.com

Appendix 2

Excerpts from Senate report 109-096 Department of State, Foreign Operations, and related programs Appropriations Bill FY 2006 (reported June 30, 2005)

Intended to illustrate the considerable variety of ways that democracy promotion activities are funded, required, earmarked and otherwise shaped by the Congress

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

...

Democracy, Human Rights and Labor - The Committee recommends \$21,000,000 for the Bureau of Democracy, Human Rights and Labor, an amount that is \$5,732,000 above the request. The Committee expects the additional funds to be used to establish and staff **a new Office of Democratic Movements and Transition** in order to improve the conduct and effectiveness of democracy promotion programs and activities.

...

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The Committee recommends \$440,200,000 for Educational and Culture Exchange Programs, which is \$9,800,000 above the budget request.

Within the amount provided, the Committee recommends that **not less than \$5,000,000 shall be made available for an endowment for the Aung San Suu Kyi Center for Democracy ...**

Within the amounts provided under this heading, the Committee directs the State Department to fund the following programs: the Fulbright Program at the request level of \$186,682,000; American Overseas Research Centers at the request level of \$3,316,000; South Pacific Exchanges, \$500,000; Timor-Leste Exchanges, \$500,000; Mobility Exchange Clearinghouse, \$500,000; Benjamin Gilman International Scholarship Program, \$3,712,000; George Mitchell Fellowship Program, \$500,000; Tibet Fulbright, \$500,000; Hemispheric Program, \$500,000; Youth Exchanges Study [YES] Program, \$20,000,000; Irish Institute, \$800,000; Leadership Program for emerging democracies, \$1,500,000; Atlantic Corridor, \$300,000; Ngwang Cheophel Fellows, \$600,000; **Rule of Law Forum, \$900,000**; Northern Forum, \$500,000; Arctic Council, \$175,000; Permafrost Conference, \$500,000; Kosovo Foundation for Medical Development, \$1,000,000; Global Perspectives Project, \$750,000; Project Children, \$250,000; International Leadership Training Program, \$70,000; World Scholar and Athlete Games, \$600,000; **International Forum on Democracy, \$1,000,000**; Pakistan literacy training program, \$250,000; Empower Peace, \$500,000; William Joiner Fellowship in War & Social Consequences, \$500,000; **Law program for leaders from transitional democracies, \$800,000**; Karelia Sustainable Development Exchange, \$300,000; **International Leadership Program with sub-Saharan Africa, \$150,000**; Leaders in Education Initiative, \$2,000,000; and Tolerance foreign exchange program, \$150,000.

NATIONAL ENDOWMENT FOR DEMOCRACY

The Committee recommends \$8,800,000 for NED for administrative expenses under this heading, which is equal to the budget request. The Committee recommends an additional \$80,000,000 for NED for programs and activities under the new heading, `Democracy

Fund'. The Committee strongly supports NED's programs and activities to strengthen democratic institutions around the world.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

The Committee recommends \$603,394,000 for IBO, which is equal to the request.

This appropriation account funds the operating and engineering costs of VOA, RFE/RL, RFA, MTN, Worldnet Television, and the Broadcasting Board of Governors. The Committee strongly supports the important programs and activities of these organizations....

Of these funds, the Committee recommends a total of \$11,160,000 for the VOA Persian Service and a total of \$5,007,000 for RFE/RL's Radio Farda. These amounts are \$3,200,000 and \$1,500,000, respectively, above the request.

BROADCASTING TO CUBA

The Committee recommends \$37,656,000 for this account, an amount equal to the budget request.

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Appropriations, 2005	\$4,393,064,000
Budget estimate, 2006	4,179,368,000
House allowance	4,156,400,000
Committee recommendation	4,544,400,000

The amounts listed in the above table for fiscal year 2005 appropriations, the fiscal year 2006 budget estimate and the Committee recommendation, include funds appropriated or requested under child survival and health programs, development assistance, USAID operating expenses, USAID Inspector General operating expenses, mandatory retirement expenses, international disaster and famine assistance, transition initiatives, and credit programs.

DEVELOPMENT ASSISTANCE

Appropriations, 2005	\$1,448,320,000
Budget estimate, 2006	1,103,233,000
House allowance	1,460,000,000
Committee recommendation	1,675,000,000

The DA account consists of a wide range of poverty-reduction and long-term development activities including democracy and the rule of law, free market development, agriculture and rural development, urban, environment, and energy, basic education, and micro-credit programs.

PROGRAM ISSUES

COUNTRY ISSUES

AFGHANISTAN

The Committee remains unwavering in its commitment to ensuring that Afghanistan continues on its path toward becoming a stable, democratic state. The Committee is aware that this critical objective of U.S. national security policy will outlive fiscal year 2006. The Committee recommends \$920,000,000 for programs intended to assist the Afghan people in building a functioning economy and free society, an amount equal to the request. ...

Establishing security in Afghanistan entails the significant challenges of training and equipping the national, border, and highway police forces; the Afghan National Army; and eradicating poppy. In both Afghanistan and Iraq the U.S. Government has attempted to assist democratically elected governments establish the rule of law while fighting a counter-terrorist campaign. The Committee recognizes that the training of police and the eradication of poppy within Afghanistan cannot be accomplished in a non-permissive environment without the coordinated efforts of the Departments of State and Defense, the Afghan Ministry of Interior, and our allies. ...

The Committee believes that a central goal of United States assistance for Afghanistan should be to strengthen and support Afghan women's organizations (many of them small and located outside of major urban areas) that have established themselves as effective advocates for women's rights and as trusted providers of assistance. Not less than \$10,000,000 is to be made available through grants to Afghan women's NGOs.

The Committee recommends \$2,000,000 for the Afghan Independent Human Rights Commission and for other Afghan human rights organizations.

BURMA

The Committee reiterates its strong support for the nonviolent struggle for freedom and justice in Burma, and calls for the immediate and unconditional release of democracy leader and Nobel Laureate Daw Aung San Suu Kyi and other prisoners of conscience in Burma. The Committee encourages the State Department to redouble its efforts to engage regional governments on the Burma problem, including leveraging the SPDC's scheduled chairmanship of ASEAN next year.

The Committee recommends \$8,000,000 to support democracy activities in Burma, including the provision of humanitarian assistance to displaced Burmese along the Burma-Thailand border,

CAMBODIA

The Committee reiterates its support for democracy and human rights programs for Cambodia, and expects the State Department and other international donors to hold the Cambodian Government fully accountable to its pledges to tackle corruption and strengthen the rule of law. The Committee expects USAID to sufficiently fund programs conducted by indigenous and international NGOs, including Global Witness. The Committee deplores the continued harassment and intimidation of the political opposition and civil society in Cambodia, and condemns the culture of impunity that is pervasive at all levels of government. ...

CHINA

The Committee recommends \$35,000,000 under the ESF account for activities to support democracy, human rights, and the rule of law in the People's Republic of China and Hong Kong. Of these funds, \$25,000,000 is made available for DRL and \$10,000,000 is for the NED. In addition, the Committee provides \$10,000,000 for American educational institutions for programs and activities relating to the environment, democracy and the rule of law in the People's Republic of China, including the Vermont Law School and the University of Louisville. The Committee expects funding provided to NED to be made available to its core grantees on an equitable basis and in proportion to annual appropriation percentages.

The Committee again provides authority to conduct programs in Taiwan, on a cost matching basis, that further political and legal reforms. ...

ETHIOPIA

The Committee is troubled by the political unrest surrounding the May 2005 parliamentary elections in Ethiopia. The Committee calls on the Government of Ethiopia [GoE] to adhere to the rule of law in resolving electoral disputes, and to refrain from abusing the political and legal rights of demonstrators. The Committee urges all parties to abide by their previous commitments as formalized in the signing of the June 10 Joint

Declaration by the Ethiopian People's Revolutionary Democratic Front, the Coalition for Unity and Democracy and the United Ethiopian Democratic Forces.

The Committee notes with regret the decision by the GoE to expel international NGOs working on political reform in that country. The Committee recommends \$10,000,000 for democracy programs and activities in that country.

INDONESIA

The Committee commends the people of Indonesia for holding first-ever, Presidential elections in September 2004, and notes that these peaceful polls serve as further evidence of the compatibility of Islam and democracy. The Committee congratulates President Susilo Bambang Yudhoyono for his electoral success, and commends him for his stated commitment to combat corruption and terrorism. The Committee also notes Yudhoyono's leadership following the December 2004 tsunami.

The Committee recognizes the complexities of Indonesia and U.S.-Indonesian relations. Shared interests include increasing security within the archipelago to counter international terrorism, strengthening democracy and the rule of law, protecting human rights, and continuing and accelerating economic, military, and social reforms for the benefit of the Indonesian people, to include increasing educational opportunities.

The Committee recommends \$159,000,000 for assistance for Indonesia from all accounts in the Act, an amount equal to the budget request. ...

IRAN

The Committee supports the efforts of those in Iran seeking political and economic freedom and provides not less than \$7,000,000 for programs and activities that advance democracy and human rights in that country.

The Committee remains concerned with reports of Iranian interference in the reconstruction of Iraq and with efforts by Iran to develop nuclear capabilities.

Not later than February 15, 2006, the State Department shall provide the Committee with a report describing a strategy for the promotion of political and economic freedom in Iran. The report may be provided in a classified manner. ...

NEPAL

The Committee is increasingly concerned with the situation in Nepal, an impoverished country struggling with a brutal Maoist insurgency. Although widely accepted that the Maoists cannot be defeated militarily, prospects for a more stable, democratic government were diminished when King Gyanendra dissolved the multi-party government on February 1, 2005, detained political party leaders and curtailed civil liberties. The state of emergency was subsequently lifted, but arbitrary arrests continue

and there is concern that the King's actions could result in alliances between political parties and the Maoists.

One welcome development is the opening of the Office of the U.N. High Commissioner for Human Rights in Nepal, which plans to deploy monitors throughout the country. The Committee recommends \$4,000,000 in ESF to support this important initiative. The Committee continues to support assistance to improve health, education and food production, strengthen civil society, combat human trafficking, and promote democracy and governance in Nepal, primarily through NGOs

PAKISTAN

The Committee recognizes and appreciates Pakistan's contributions to the global war on terrorism, and recommends \$698,244,000 for assistance to Pakistan, an amount equal to the budget request.

The Committee remains concerned with the slow pace of the democratic development of Pakistan, and expects the State Department and USAID to continue to make democracy and governance programs a priority. The Committee urges the Government of Pakistan to protect and respect human rights and the rule of law, particularly for women.

THAILAND

The Committee recommends \$5,000,000 for democracy and media programs in Thailand, and requests the State Department to consult with the Committee prior to the obligation of these funds.

TIBET

The Committee also recommends \$250,000 in ESF to the NED for programs relating to Tibet.

VENEZUELA

The Committee remains concerned with the state of democracy and the rule of law in Venezuela, including state seizure of private land, the creation of a new military reserve, and reports of the sale of 10,000 assault rifles by Russia to Venezuela. The Committee recommends \$2,000,000 under the ESF account be made available for programs to promote democracy and justice in that country.

ZIMBABWE

The Committee condemns and deplors the continued violations of the human rights and dignity of the people of Zimbabwe by President Mugabe and his repressive government, including through Operation Murambatsvina ('drive out rubbish') that has left hundreds of thousands of city dwellers homeless.

The Committee encourages Zimbabwe's neighbors, particularly South Africa, to recognize the threat that the Mugabe regime poses to Zimbabwe--and the entire region--and to take appropriate action.

The Committee continues to support USAID programs and activities to protect and defend democracy and human rights in Zimbabwe.

ECONOMIC SUPPORT FUND

PROGRAM ISSUES

CIVIC EDUCATION

The Committee appreciates the importance of civic education programs in transitional countries, including Iraq and Afghanistan. While traditional programs (including radio and television broadcasting) are critical components in educating targeted populations, the Committee believes that the State Department and USAID underutilize technology available to reach the most inaccessible and vulnerable populations.

The Committee recommends the State Department and USAID continue to support the civic education programs of Voice for Humanity [VFH] in Iraq and Afghanistan, and recognizes the strong support by senior Iraqi and Afghan officials for the high-tech, small media devices that educate illiterate and semi-literate populations. The Committee notes that the Afghan Deputy Minister of Women's Affairs credits the devices with increasing the number of women voting in that country's presidential elections. The Committee believes that in addition to activities to support the upcoming elections in Iraq and Afghanistan, VFH's programs should be expanded to include information on counter narcotics and women and children's health issues.

Of the significant resources requested for civic education activities for fiscal year 2006, the Committee recommends not less than \$15,000,000 for VFH activities worldwide, including in Iran and North Korea.

MIDDLE EAST COUNTRIES

In 1998, the United States reached agreements with the Governments of Israel and Egypt to reduce the levels of ESF assistance for these countries over a 10-year schedule. In accordance with this schedule, the Committee provides \$240,000,000 for Israel and \$495,000,000 for Egypt for fiscal year 2006. The Committee provides \$250,000,000 for assistance for Jordan, which reflects the budget request.

The Committee recommends that assistance for Egypt shall be provided with the understanding that the Government of Egypt [GoE] will undertake significant economic and political reforms in addition to those taken in previous years, and that democracy and governance activities funded through this Act shall not be subject to the prior approval of the GoE.

The Committee provides \$35,000,000 for democracy and governance programs in Egypt, an increase of \$9,600,000 above the budget request.

DEMOCRACY, TRANSPARENCY, AND THE RULE OF LAW IN ISLAMIC COUNTRIES OUTSIDE THE MIDDLE EAST REGION

The Committee recommends \$25,000,000 for programs and activities which foster democracy, human rights, civic education, women's development, press freedom, and the rule of law in countries outside the Middle East region with a significant Muslim population. Of these funds, the Committee provides \$15,000,000 for DRL's Human Rights and Democracy Fund and \$10,000,000 for NED. The Committee expects NED to make a portion of these funds available to its core grantees. The Committee includes \$5,000,000 for professional training for journalists. The Committee provides authority for democracy, human rights, and rule of law programs in Syria.

The Committee recommends the State Department consider and fund a proposal from CHOICE for democracy programs in the Middle East.

MIDDLE EAST PARTNERSHIP INITIATIVE

The Committee recommends \$120,000,000 for MEPI, which is equal to the budget request, and directs that \$4,500,000 be made available for scholarship programs for students from countries with significant Muslim populations at accredited American higher education institutions including the American University of Beirut and Cairo, and the Lebanese American University. The Committee expects MEPI funds to support projects that empower women and children.

...The Committee provides the State Department with the authority to establish a private foundation and an enterprise fund utilizing MEPI funds. However, the Committee requests the State Department to consult with the Committee not later than 90 days after enactment of the Act on the advantages and disadvantages of establishing a private foundation funded by the U.S. Government, akin to the Eurasia Foundation.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

The Committee provides \$395,000,000 for Eastern Europe and the Baltic States, \$13,000,000 above the budget request.

DEMOCRACY AND THE RULE OF LAW

The Committee believes that democracy and rule of law programs are of critical importance to countries undergoing democratic transitions, particularly Ukraine, Georgia,

and the Kyrgyz Republic. The Committee notes that the success of democracy in these countries will be critical to encouraging and furthering the gains of democratic reformers elsewhere, including in Belarus. The Committee encourages the State Department to convene an international conference on the promotion of democracy in this region.

The Committee believes that an authoritarian Russia presents a growing danger to countries undergoing democratic transition in the region and that offsetting this threat should be a priority to the United States. The Committee notes that significant resources are required to support democracy assistance programs inside Russia, and urges the administration to increase the budget request for these purposes in subsequent fiscal years.

The Committee directs the State Department and USAID to more emphatically and publicly support political process programming in Russia and Azerbaijan. Freedom is ill served by excessive hand wringing over concerns with projecting political balance in programming or of offending authoritarian host governments.

The Committee continues to support programs conducted by the American Rule of Law Consortium, ABA CEELI, and the Russian American Judicial Partnership to strengthen the rule of law in Russia and other former Soviet republics.

COUNTRY ISSUES

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RUSSIA

The Committee recommends \$85,000,000 for assistance for Russia, of which \$5,000,000 shall be made available to the NED for political party development programs.

UKRAINE

The Committee commends the people of Ukraine for the success of the Orange Revolution and reiterates its strong support for political and economic reforms in that country. The Committee recommends \$95,000,000 for assistance for Ukraine, \$7,000,000 above the budget request.

The Committee is aware of the work of the U.S.-Ukraine Foundation, and commends the Foundation for its support of democracy and the rule of law in Ukraine. The Committee directs USAID to continue to support the Foundation's activities beyond November 2005, when funding is scheduled to end. The Committee believes the Foundation has an important role to play in strengthening the *Rada* and in increasing transparency and accountability at all levels of government. The Committee expects funding levels to exceed those of prior years.

The Committee also urges the State Department to consider a proposal from the Ukrainian Congress of America to support the consolidation of democracy in Ukraine, including reform of the agricultural sector.

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MILLENNIUM CHALLENGE CORPORATION

The Committee recommends \$1,800,000,000 for the MCC, an amount that is \$1,200,000,000 below the request. The Committee unequivocally supports the foreign assistance objectives of the MCC: to provide such assistance in a manner that promotes economic growth and the elimination of extreme poverty and strengthens good governance, economic freedom, and investments in people.

In part, the funding level recommended by the Committee is due to the constraints of the 302(b) allocation for foreign assistance. The Committee, moreover, notes that of the \$2,500,000,000 appropriated for the MCC for fiscal years 2004 and 2005, less than \$34,000,000 has been obligated, and less than \$15,000,000 has been expended. While recognizing that the Corporation has begun to reach agreement on compacts, the MCC plan to sign up to four compacts per quarter through the end of fiscal year 2006 is overly optimistic. The average amount of the low-income compacts signed to date is \$153,000,000, or close to 52 percent of the average amount proposed in the MCC budget justification of \$291,000,000.

An additional concern of the Committee is that compacts and country plans for MCC projects should be coordinated with, and complementary to, the other foreign assistance efforts of the United States. To ensure that the myriad foreign assistance and security assistance programs of the United States are integrated, efficient, and economical, the Secretary of State shall report to the Appropriations Committees, not later than 15 days prior to the signing of each compact. The report shall include, at a minimum: an assessment of the overall foreign assistance program in the subject country, to include a description of aggregate funding provided by the United States and the international donor community; an analysis of whether the MCC compact is duplicative with any other existing foreign assistance program, to include those of USAID; and, a description of any security assistance provided to the subject country.

DEMOCRACY FUND

The Committee commends the President for his commitment to freedom and reiterates its strong support for programs that promote democracy, human rights, independent media, and the rule of law globally. The Committee recognizes that the success of democracy building efforts requires a sustained commitment beyond the holding of a single election, and demonstrates its strong support for freedom by fully funding the budget request for security assistance, democracy, rule of law, development, and law enforcement programs in Afghanistan, Iraq, Ukraine, and Pakistan, among other countries.

To improve the effectiveness of these programs and to enhance oversight, the Committee recommends \$175,000,000 in a new account that centralizes funding for these activities. Of these funds, \$85,000,000 is for programs to be administered by DRL, \$80,000,000 is for NED, and \$10,000,000 is for the establishment of a democracy fund at the United Nations. The Committee expects to be consulted prior to the obligation of any funds for the U.N. democracy fund.

The Committee allocates funds for NED in the following table:

NATIONAL ENDOWMENT FOR DEMOCRACY
[Budget authority in thousands of dollars]

Region	FY 2006 budget estimate	Committee recommendation	Change
Africa	6,620	9,500	+2,880
Asia	6,497	15,000	+8,503
Middle East/North Africa	37,856	23,500	-14,356
Central and Eastern Europe	2,965	5,000	+2,035
Independent States of the Former Soviet Union	5,476	10,000	+4,524
Latin America/Caribbean	6,262	9,000	+2,738
Multiregional	3,731	6,000	+2,269
Democratic Activities	1,793	2,000	+207
Administration	8,800	[8,800]	-8,800
Total	80,000	80,000	+8,800

The Committee recommends not less than \$1,448,200,000 for democracy, human rights, and rule of law programs under title III of this Act. This amount is equivalent to the budget request and is intended to serve as a floor for such programs. The Committee notes that increases in funding for democracy, human rights and rule of law activities for specific countries or regions are included under a number of accounts and general provisions in this Act.

The Committee remains concerned that the State Department and USAID do not share a common definition of a 'democracy program'. For the purposes of this Act, a democracy program means technical assistance and other support to strengthen the capacity of democratic political parties, governments, non-governmental institutions, and/or citizens, in order to support the development of democratic states, institutions and practices that are responsive and accountable to citizens.

The Committee reiterates the importance of political party development programs, as elections serve as catalysts for freedom, evidenced most recently in Georgia and Ukraine. The Committee expects the State Department and USAID, in particular, to understand this basic tenant of democracy building and to provide adequate funding for these programs.

The Committee endorses several provisions of the ADVANCE Democracy Act of 2005, as introduced in the Senate on March 3, 2005, including: the clear definition of responsibilities assigned to the State Department's Under Secretary for Global Affairs and the Assistant Secretary of State for Democracy, Human Rights, and Labor; the establishment of an Office of Democratic Movements and Transitions within DRL; the establishment of regional democracy hubs; and the creation of a Democracy Promotion and Human Rights Advisory Board. **The Committee further recommends that USAID consider the creation of a Bureau for Democracy and Human Rights Promotion to highlight the importance of this U.S. foreign policy objective.** The Committee expects the State Department and USAID to consult within 90 days after enactment of implementation of these recommendations.

The Committee recognizes the importance of a free and independent media in emerging democracies, and supports the programs implemented by nonprofit organizations, including Internews and the International Research and Exchanges Board [IREX].

The Committee strongly supports CEPPS in its current form. The Committee commends CEPPS partners for their collective commitment to democracy and human rights, demonstrated most recently by their presence in Iraq, and the results of their work there and in places such as Afghanistan, Ukraine and Kyrgyzstan. The Committee objects to an expansion of CEPPS partners beyond current parameters.

The Committee remains concerned with the cost effectiveness of USAID's reliance upon large contracts for democracy programs, particularly in the area of political development, and caps such contracts at a total of \$250,000,000. The Committee expects USAID to rely on NGOs, operating under assistance mechanisms, whose experience and accomplishments in democracy promotion activities are unparalleled--and under utilized by the Agency. This includes the Solidarity Center, NDI, CIPE, Freedom House, IRI, CEELI, and Internews, among other organizations.

COLOMBIA

The Committee reaffirms its commitment to assist the efforts of Colombian President Uribe in destroying the threats of terrorism and narcotics in that country.

The Committee includes language, similar to last year, requiring the Secretary of State to certify that human rights conditions have been met prior to the obligation of 25 percent of the assistance for the Colombian military, and to consult with the appropriate

congressional committees and the Office of the U.N. High Commissioner for Human Rights in Colombia regarding the conditions, prior to making a certification.

The Committee recommends \$10,000,000 for programs to protect human rights, and expects to be consulted prior to any decision regarding the use of these funds.

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INTERNATIONAL MILITARY EDUCATION AND TRAINING

The Committee continues its support for the IMET program and provides \$86,744,000 for this account, as requested.

Appendix 3

Summary of ADVANCE Democracy Act

H.R.1133

Title: To advance and strengthen democracy globally through peaceful means and to assist foreign countries to implement democratic forms of government, to strengthen respect for individual freedom, religious freedom, and human rights in foreign countries through increased United States advocacy, to strengthen alliances of democratic countries, to increase funding for programs of nongovernmental organizations, individuals, and private groups that promote democracy, and for other purposes.

Sponsor: [Rep Wolf, Frank R.](#) [VA-10] (introduced 3/3/2005) [Cosponsors](#) (26)

Related Bills: [S.516](#) (Senators McCain and Lieberman)

Latest Major Action: 3/3/2005 Referred to House committee. Status: Referred to the House Committee on International Relations.

SUMMARY AS OF:

3/3/2005--Introduced.

Advance Democratic Values, Address Nondemocratic Countries, and Enhance Democracy Act of 2005 or the ADVANCE Democracy Act of 2005 - States that the promotion of freedom and democracy in foreign countries is a fundamental component of U.S. foreign policy.

Amends the State Department Basic Authorities Act of 1956 to establish the position of Under Secretary of State for Global Affairs, who shall have primary responsibility to assist the Secretary of State in implementing policies and activities relating to the transition to, and development of, democracy in nondemocratic countries.

Establishes within the Department of State: (1) an Office of Democratic Movements and Transitions; and (2) a position of Deputy Assistant Secretary of State for Democracy, Human Rights, and Labor.

Directs the Secretary to establish at least one Regional Democracy Hub in U.S. missions in: (1) the Western Hemisphere; (2) Europe; (3) South Asia; (4) the Near East; (5) East Asia and the Pacific; and (6) Africa.

Sets forth provisions respecting strategies and activities to enhance democracy in foreign countries.

Establishes a Democracy Promotion and Human Rights Advisory Board.

Directs the Secretary to: (1) establish an Internet site for global democracy and human rights; (2) require each chief of mission in each foreign country categorized as nondemocratic to develop a strategy to promote democracy and support individuals and nongovernmental organizations that are committed to democratic principles.

Amends the Foreign Service Act of 1980 to include training in democracy and the promotion of democracy and human rights in provisions respecting Foreign Service training, performance pay, promotions, and chief-of-mission appointments.

Expresses the sense of Congress with respect to alliances with other democratic countries, including: (1) creation of Democracy Caucuses; (2) strengthening the Community of Democracies; (3) support for the initiative of the Government of Hungary and the governments of other European countries to establish a Democracy Transition Center; and (4) support for regional initiatives.

Authorizes the Secretary to make grants to U.S. nongovernmental organizations to assist the Community of Democracies.

Provides funding for the Human Rights and Democracy Fund.

Sets forth presidential actions with respect to nondemocratic countries.

Directs the President to collect information regarding incidents that may constitute crimes against humanity, genocide, slavery, or other violations of international humanitarian law by leaders or other government officials of nondemocratic countries.

Amends the National Security Act of 1947, as amended by the International Religious Freedom Act of 1998, to express the sense of Congress that there should be within the National Security Council (NSC) a Special Assistant to the President on Nondemocratic Countries and Transition to Democracy.