

Westminster Foundation for Democracy

Working for a Freer World

WFD's response to the River Path Associates Report

'As and when we can, seek to increase the number of people able to live in democracy, subject to the protection of the rule of law.'

Rt Hon Tony Blair MP, Prime Minister
Davos, 26 January 2005

March 2005

Contents

| | Page |
|--|-------------|
| Introduction: WFD's position on the review | 3 |
| The objectives of the FCO and WFD | 3 |
| What WFD has achieved in political aid and development | 4 |
| The case for retaining existing structures | 9 |
| Weaknesses in the River Path report | 10 |
| Conclusion | 12 |

Appendices

| | |
|--|----|
| A. Letter from Carl Gershman, President, National Endowment for Democracy, Washington, 3 February 2005 | 13 |
| B. Letter from Professor Mary Kaldor, Governor, 9 December 2004 | 14 |
| C. Note from Dr Michael Pinto Duschinsky, 22 November 2004 | 16 |

Introduction: WFD's position on the review

1. The Westminster Foundation for Democracy welcomed the prospect of a review commissioned by the Foreign and Commonwealth Office as an opportunity both to raise important questions and demonstrate achievements. WFD has achieved much since it was established in 1992. However, in the early part of the five years under review it encountered leadership and staffing problems, from which it has emerged strongly over the last two years. Over the same period the FCO developed a new strategy and a new approach to assessing impact, and it launched the Global Opportunities Fund (GOF). This was in many ways a good moment to examine challenging but important questions about WFD's role and effectiveness and to re-examine whether its structure and strategy remain the best way for the UK to contribute to international political aid and democratic development.
2. Ministers have now expressed a view on how they wish to conclude the review of WFD; they have decided to consult on the options presented in the final report from River Path Associates; and they have announced that they do not propose to take WFD in-house.
3. Governors are in no doubt that the best option available to the FCO is now to build on current arrangements. This is the surest way to reap the benefits of recent reforms and improve impact on the ground, retaining the Government's capability to fund political party work alongside civil society work in line with its international strategic priorities and PSAs; offering the Government and the FCO an agent, within its own family of organisations, through which it can work in delivering priority democracy building projects; achieving benefits without cost to FCO as WFD generates income from other sources, and creates economies of scale; and avoiding the costs of restructuring with uncertain consequences.
4. Considering other options, it is not clear to Governors why Parliament would wish to assume responsibility for oversight of international political development programmes undertaken by Westminster political parties, which is outside its remit and for which, we believe, there is no precedent. Were it to do so it would undoubtedly incur costs in oversight of this responsibility which would come close to, or perhaps exceed, those incurred through WFD at present, in addition to very substantial restructuring costs.

The objectives of HMG/FCO and WFD

5. *HMG/FCO objectives, as understood by WFD*
 - The Government wishes, as and when it can, to work for the spread of democracy internationally;
 - Ministers need to be satisfied that WFD continues to offer good value for money in its contributions to UK international priorities;
 - Ministers have given a categorical assurance that WFD will not be closed down or its functions taken in-house. They recognise the achievements of the last two years and wish to see more progress.
6. *WFD objectives*
 - WFD has transformed itself in the last two years and is now determined, building on these foundations, to expand its capacity and increase its impact;
 - Whatever structure is adopted, WFD's most distinctive contribution to international democracy building is its capability to develop its party to party work in conjunction with civil society work. It is vital that this is retained;

- WFD needs to resolve outstanding issues with the FCO, including agreement on salary gradings, so that it can move ahead decisively on the implementation of its strategy.

7. *Shared objectives*

- The nature of WFD's work requires an arms length relationship from Government; and the FCO benefits from the cover provided by a Board acting independently within a framework of checks and balances;
- The non-project costs of managing the functions undertaken by WFD, and of the FCO's/Parliament's oversight of them, must be kept to a minimum whichever authority is responsible for funding party work; and whether or not they are formally subject to Treasury disciplines.

8. Beyond these keystones, two main issues remain to be clarified:

- How any transfer of responsibility for funding party work from the FCO to Parliament could be achieved while retaining the integrity of WFD's work;
- The interests of Parliament in this matter. The Leader of the House of Commons has been consulted; but the will of both Houses has yet to be tested.

What WFD has achieved in political aid and development

9. Since it was established in 1992, WFD has helped democratic institutions develop in countries of key interest to the UK, building the capacity of newly emerging political parties, enhancing political institutions, contributing to peaceful elections and supporting wider voter participation in political processes. Along the way we have made many good friends for Britain among key leaders in politics and civil society.
10. WFD has been most successful in countries where democracy has a foothold – whether in the form of a commitment from government to hold elections, or from the existence of viable reformist groups – and can benefit from assistance. Many of the countries where we were first engaged are now established democracies and WFD has been able to shift resources to assist democratic forces in other parts of the world.
11. In the early years, for example, we were involved in central Europe where democratic institutions were growing and could benefit from support. WFD worked in Hungary, Slovakia, Poland and elsewhere in central Europe, helping political parties and other institutions in the establishment of democracy. WFD worked in South Africa in the run-up to its crucial 1994 elections; the Labour Party and the Liberal Democrats working respectively with the African National Congress (ANC) and the Democratic Alliance (formerly the Democratic Party), while WFD Central supported independent media organisations and groups that promoted women in politics.
12. As many of the countries in central Europe became established democracies, WFD shifted its resources and experience to concentrate in areas where democracy was weaker, notably in the Balkans, in eastern Europe and increasingly in Africa where many countries were making the transition towards democracy.
13. Today, we continue to engage with democratic forces in countries at critical moments, Ukraine being among the most current, and to support the growth of democratic institutions in countries where they are still fragile. The following are some examples:

Kosovo – building constitutional political parties

14. WFD's involvement in Kosovo started during the Milosevic era, and concentrated on work with civil society, human rights groups and political organisations, helping some of them grow and establish themselves as political parties. We continued support for fledgling political and civil groups in the run up to the first free and fair elections in 2001 and beyond.
15. The years of repression had left Kosovars without a voice, and culminated in violent conflict. In a volatile political landscape, WFD has helped reformist groups develop the ability to express views in political rather than violent ways. As the fledgling parties grew, they began to work more directly with the British political parties.
16. Crucially, WFD worked with a number of Kosovo Albanian parties, notably the PDK and AAK, whose paramilitary origins made support from western governments and other NGOs difficult. Their integration into constitutional political processes was crucial for peace and stability in Kosovo.
17. Key achievements in Kosovo
 - The PDK and AAK were successfully brought into the mainstream democratic process. The PDK went on to develop international links, particularly with the British Labour Party.
 - WFD's cross-party work promoted tolerance and shared codes of conduct which helped form the basis for largely peaceful elections in 2002.
 - WFD's work with the parties encouraged the inclusion of women, and much work was done with women activists. The PDK nominated a woman – the prominent activist Flora Brovina – as its presidential candidate in the 2001 elections and when the OSCE adopted a rule that a third of all candidates for office must be women, WFD provided support and training for women candidates.
18. WFD used the same model in its pre-election cross-party work in Nigeria and Indonesia in 1999.

Serbia and Montenegro – party-building, stability and the rule of law

19. WFD's work in Serbia started during the Milosevic era, and concentrated on support for grassroots groups campaigning for reform. Because of our experience of the country, and strong relationships with civic groups, we were able to develop relationships and support disparate groups throughout the outlying nationalist heartlands of the country where support for Milosevic was strongest.
20. The suppression of political opposition made party activity difficult in the run-up to the 2000 elections. WFD Central brought groups of activists from the opposition coalition together to the UK for training in campaign strategy from the British political parties. From this beginning, individual relationships between the sister parties grew. The Conservatives developed relationships with the Democratic Party of Serbia (DSS) and other opposition parties; Labour with the Social Democratic Union (SDU), the Social Democratic Party (SDP) and the Democratic Party now led by Serbia's Boris Tadic, and the Liberal Democrats with the Civic Alliance.
21. WFD supported various independent media during a period of repression. These included the Beta News Agency which we helped to keep running during the war, and B92, a radio station which with our help developed a website to mobilise opposition to fraudulent local elections in 1996.

22. WFD contributed to wider political stability through a rule-of-law project. During the Milosevic era and immediately after his defeat, issues of human rights and the rule of law were highly political and those involved in this area were often harassed. WFD was in a position to take on such politically sensitive work and supported a programme to train lawyers, judges, government officials, police officers and human rights activists on the European Convention on Human Rights in Serbia and Montenegro.
23. The FCO and Council of Europe stepped in to support the project once the situation became less volatile.
24. Key achievements in Serbia and Montenegro
 - The civic reform groups supported by WFD were able to grow and develop opposition in formerly nationalist heartlands around the country. This work, alongside the work with opposition forces by the British parties, contributed to the defeat of Milosevic.
 - WFD was able to help Serbia's free media at a time when the media was challenging the regime in explicitly political ways.
 - WFD achieved strong buy-in for its rule of law programme from the Ministry of Justice and the Association of Judges. More than 900 judges, prosecutors, lawyers and others, from all over the country, have graduated from the training programme, creating a country-wide network of legal reformers. Many participants are now prominent within the administration, including Momcilo Grubac, first Minister of Justice after the overthrow of Milosevic, Goran Svilanovic, Minister of Foreign Affairs 2000 – 2003, two presidents of the Supreme Court in Serbia and Pavle Dragovic, President of Commission for Disciplinary Offences in the Police Forces in Montenegro.
 - There is growing evidence that judges are now quoting the ECHR in their judgements, and that its adoption is helping the country to better integrate in Europe.

Bosnia – helping NGOs and MPs learn from each other

25. WFD worked in Bosnia during the war and our work intensified after the Dayton Peace Agreement in 1995.
26. The three main British parties have made a significant contribution to strengthening multi-ethnic parties' organisation and structure and in particular their ability to contest elections. The Conservative Party has worked with the Party of Democratic Progress (PDP), supporting their contribution to economic and political reform; the Labour Party worked closely with the Social Democratic Party (SDP) and the Alliance of Social Democrats (SNSD) sharing ideas on communicating policy in election campaigns; and the Liberal Democrats worked with a number of smaller, centrist parties. Many of the politicians they have worked with rose to prominent positions in government, for example the SDP leader Zlatko Lagumdzija who became foreign minister in the 2000 coalition government and then served as prime minister, and Milorad Dodik, former prime minister of Republika Srpska, both worked closely with the Labour Party; Mladen Ivanic, who became prime minister of Republika Srpska and is now foreign minister of Bosnia, received help from the Conservative Party.
27. At the same time, WFD Central concentrated on work with civic, youth and women's groups on grassroots activism and voter participation. In the immediate aftermath of the war, deep distrust between different groups exacerbated tension and made political competition potentially destabilising. We were able to use our experience and contacts to help bring groups together to start to build up trust. For example, with the help of UNISON, we organised the first post-war meeting between energy workers from Republika Srpska and the Federation.

28. WFD's history of good relationships with the parties and civil society groups has more recently enabled us to support co-operation between the two in policy development.
29. For example, in 2004 WFD supported the Catholic Relief Services, Sarajevo, in a project that brought MPs and members of NGOs together to contribute to the poverty reduction strategy process (PRSP) consultation and implementation. The project widened involvement in the PRSP, and addressed problems of apathy among citizens and a reluctance of MPs to consult on policy. The group included representatives of the different ethnic groups in Bosnia.
30. Key achievements in Bosnia
 - The British parties played a key role in supporting multi-ethnic parties, helping them build the capacity to successfully fight elections.
 - WFD was able to use its range of contacts with political and civic groups to help bridge divisions in a society deeply fractured by war.
 - For example, the Catholic Relief Services project successfully brought together for the first time members of all three parliaments, local NGOs and the media. MPs and NGOs with no experience of joint working now co-operate on a key policy issue and express firm commitment to do so on other projects.

Ukraine – supporting political involvement

31. The Conservative Party has worked with opposition groups in Ukraine since independence, helping lay the groundwork for the success of 'Our Ukraine' coalition in November 2004, which successfully mobilised mass support for the elections and organised peaceful resistance to the fraudulent outcome. Labour too has worked with sister Ukrainian parties and youth organisations. Despite initial FCO qualms, the party work in Ukraine is a clear demonstration of how WFD's partisan approach can contribute to a successful political reformist movement.
32. In the year leading up to the Presidential Elections of 2004, WFD worked with several organisations such as *Opir Molodi*, promoting youth involvement by providing training in mobilising and growing a network of activists, developing campaigning and communication skills to inform and enthuse people about the elections and get them to vote on the day. Activists toured the country to mobilise support throughout Ukraine, encouraging small youth groups and NGOs to co-ordinate their efforts. This work helped lay the foundation for the pan-Ukrainian youth movement *Pora*, now at the forefront of current events in Ukraine.
33. WFD has a good record of work of working with youth groups and opposition parties in other countries in the region. This project involved visits from young trainers from Serbia, Belarus and Georgia who could share their recent, comparable experiences of electioneering. It also played an important role in bringing different NGOs into contact with each other to share ideas and co-ordinate their work.
34. Key achievements in Ukraine
 - Young people, clearly keen to take an active role in the elections, were helped to focus their energies and maximise their impact on the elections. The election saw unprecedented levels of youth action, both in the run-up to the election and afterwards in the successful challenge to the outcome.
 - WFD has laid down the foundations of relationships among youth networks and political parties in Ukraine which will enable it to develop and deepen its programme there over the coming years.

Sierra Leone – building party capacity and peaceful elections

35. After 10 years of civil war, Sierra Leone suddenly faced the prospect of multi-party elections in 2001. WFD organised a substantial cross-party training programme in the run-up to Sierra Leone's election, drawing on the expertise of MPs from the Westminster parties. In this we were responding to an urgent need, articulated by the National Electoral Commission, for assistance to political parties lacking organisation and resources, and experience of fighting elections. All were inexperienced and fragmented, seen as unrepresentative and out of touch with the electorate.
36. Work focussed on party membership, fundraising, developing and communicating policy and dealing with the media. In a bid to move the election beyond Freetown, party workers across the country attended locally-held seminars and workshops.
37. In addition to capacity-building, the programme developed ways to ensure that electoral competition did not exacerbate tension and lead to violence. WFD and the Labour Party worked with the Sierra Leonean parties to develop a code of conduct on the parties' behaviour, agreeing on respect for the electoral process and the outcome. This was signed by members of all the parties.
38. Key achievements in Sierra Leone
 - WFD brought members of the different political parties together in the run-up to the 2002 elections, helping them to overcome mutual distrust and build a basis for peaceful and credible elections.
 - A powerful example was the code of conduct signed by the parties, committing all to abide by the outcome of the elections: this was respected afterwards.
 - WFD encouraged the parties to think about women's representation and provided training for women candidates. The elections resulted in nearly double the number of women elected to parliament, up to 15 per cent.
 - The UN commended WFD's role.

Kenya – contributing to sound electoral conduct

39. British political parties have worked with sister parties in Kenya since the introduction of multi-party politics in the mid-1990s. The Conservative Party worked closely with the Democratic Party which took the lead in opposing President Moi and engineered the National Rainbow Coalition (NARC) which came to power in 2002.
40. The Labour Party and the Liberal Democrats organised cross-party work in the run-up to Kenya's 2002 general election. This election was contested in a volatile atmosphere characterised by mutual distrust between the political parties, and the Labour Party and Liberal Democrats organised seminars for members of the political parties across the country, providing neutral space in which they could discuss grievances and begin to agree ground rules for the election. The discussions culminated in a joint declaration against intimidation and violence being agreed and signed by all the participants.
41. The strong relationships formed by the Westminster Parties with Kenyan MPs have helped WFD Central with a more recent piece of work, supporting the Kenya Section International Commission of Jurists (KS-ICJ) in a project to help MPs understand and use their powers to protect human rights.

42. Key achievements in Kenya

- British party involvement helped diffuse tension between the Kenyan parties in the run-up to crucial elections in 2002, culminating in a non-violence agreement being signed by the parties. The elections passed off peacefully.
- WFD Central work with Kenyan MPs has led to them developing a human rights action plan aimed at increasing involvement in human rights issues.

The case for retaining existing structures

43. *An unique structure* WFD has no doubt that its unique structure is what gives it its comparative advantage. Linking the Westminster parties through a central organisation is acknowledged by the parties to be essential to the success of the cross party co-operation in WFD; and linking party and civil society work enables WFD to work at the intersection between those interests in emerging democracies. In many of the countries in which WFD works NGOs and political parties are closely interconnected, sometimes virtually indistinguishable: any intention to create a structural separation between the different parts of WFD which work with them would risk ignoring this important reality. It would also jeopardise the basis of co-operation through WFD between the Westminster parties.

44. *A transforming organisation* In the last two years WFD has comprehensively put the organisational failures of the previous few years behind it. It has resolved serious leadership and staffing problems, developed a clear strategy and strengthened its financial management systems. It is about to launch six new programmes in priority countries, demonstrating the commitment of parties to work together, and with the central organisation. It is led by an experienced team who are building on these successes in developing WFD's capacity to contribute to FCO strategic priorities in its specialist field. It is working further to increase its capacity to run managed grant-making and direct delivery programmes – complementing those already run by the political party WFD teams. All these achievements involve the parties as well as the central organisation. It is fast becoming an agency capable of responding to the changing international environment, making a strategic contribution to the FCO's current priorities in a field of considerable international interest, building on the acknowledged successes of its first decade.

45. *Clear accountability for public funds* Central to these reforms has been a fundamental review of WFD's systems for financial management, project scrutiny and accountability to the Board by all parts of the organisation. The same systems are followed for political party and civil society funding proposals, and we believe they now comply in full with Government accounting regulations. The FCO's own Internal Audit Department closed its file in September 2004 on its review of WFD's systems the previous year, satisfied that virtually all its recommendations had been implemented. The new corporate plan includes clear commitments by parties and central teams to the achievement of programme objectives.

46. *An important role in the Government's armoury* WFD offers the FCO and the Government as a whole two principal capabilities:

- a. Political rather than technical assistance: the central rationale for WFD's work is to focus on assistance which the FCO could not or would not wish to undertake directly: strengthening political parties, free media and other politically sensitive work. For example, in post-conflict situations and repressive regimes a Post may be reluctant to engage directly with new/emerging political and civic groups, preferring to work

through an agency such as WFD as a means of avoiding the danger that direct British government presence could be interpreted as foreign interference¹.

- b. Developing capacity to deliver programmes: historically WFD central has operated as a grant maker while political party WFD programmes have run their own projects. WFD's strategy entails a shift from reactive to managed grant making in the context of programmes working to defined objectives. We expect an increasing proportion of the grant-in-aid to be applied to such programmes. WFD is now poised to develop its programme delivery capability - in parallel with growth in parties' existing project delivery capabilities. It will thereby position itself to attract additional programme funding, providing the FCO with an instrument, among its own family of organisations, capable of working alongside GOF and other FCO teams in the delivery of its strategic priorities for democracy building, for example in post-conflict countries, MENA and elsewhere. This will enable it to deliver programmes involving party to party, cross party, civil society and other work on behalf of HMG and international organisations.

47. *The arms length relationship benefits both organisations* From the beginning the requirement for WFD to operate at arms length from the FCO was recognised. Maintaining its influence over work of this kind provides the FCO with the best safeguard that it is conducted in line with its own wider objectives and Public Service Agreements; the less the FCO seeks to exercise control the more it can deny responsibility. These dual interests – arms length and control – need to be held in tension between the FCO and WFD, and we believe the checks and balances² developed over the last two years serve these interests well³.

48. *A strategic relationship with the FCO* Both organisations recognise the need to develop a more strategic relationship; and WFD acknowledges that officials have had to devote a disproportionate amount of time to WFD in the recent period. We are grateful for the support of Ministers and officials in this period of reconstruction. We now look forward to both officials and WFD staff being able to devote less time to residual 'legacy issues' in the management of WFD; and to strengthening our lines of communication with posts and departments to ensure the closest cooperation on the content and development of projects and programmes, whether political party, civil society or otherwise.

Weaknesses in the River Path report

49. WFD is still in transition to full implementation of new methods of working. Reviewing any organisation during a period of rapid change, when findings have often been quickly overtaken by events, would present the reviewer with a difficult task. Nonetheless, the report by River Path Associates contains a number of serious weaknesses including a lack of definition or explanation of the methodology used by the consultant. We highlight some of the major weaknesses below.

¹ Recent letters from the President of the US National Endowment for Democracy and from Professor Mary Kaldor, Governor, making this case, are appended.

² The main checks and balances provided in WFD's constitution and developed in recent years include: appointment of the Board by the Foreign Secretary; a newly negotiated Management Statement; presence of the FCO at meetings of the Board and Audit and Projects Committees; and FCO right of approval of corporate plans, comment on all WFD project proposals, scrutiny of funding draw-down requests and powers of audit and review of WFD.

³ A note from Dr Michael Pinto Duschinsky, advisor to the FCO on the establishment of WFD, is appended.

50. The report fails to reflect the fundamentals of WFD's role and purpose, as outlined above. It does not examine the purposes for which WFD was established or their subsequent development— as a basis for considering its present role.
51. Conclusions are frequently drawn on the basis of performance over the whole five year period, despite the acknowledged change in leadership and results over the last two years.
52. There is no section of the report devoted to examining WFD's governance, leadership, structures and systems over the review period, despite the well recognised failures in the early part of that period. Those aspects which are considered are treated as a subset of other sections, while key issues such as the work of the Audit and Projects Committees and the systems for which they are responsible (by which WFD fulfils its responsibilities for spending public funds) are not considered. As a result, conclusions lack any organisational context against which they can be judged, and in key areas there is simply no evidence on which conclusions can be reached.
53. Section 4 of the report presents River Path's analysis of WFD projects over the review period. WFD funded 1303 projects over this period, of which River Path sought to analyse 53 (4%) in just two countries, as follows:
- 40 Labour Party projects in Bosnia Herzegovina;
 - one WFD central project in Bosnia Herzegovina;
 - 12 central and cross party projects in Sierra Leone.

Projects in other countries are not considered; nor are projects undertaken by the Europe team (other than one in BiH), the Conservative Party, Liberal Democrats or smaller parties.

54. Cost comparisons between WFD and the FCO Global Opportunities Fund are particularly weak and are not made on an equivalent basis. For example, calculations for GOF exclude both programme team and project management costs while both are included in calculating WFD non-project costs; GOF ratios are based on projections, WFD ratios on actuals; and do River Path seriously believe that GOF will achieve non-project costs of 4.6% in 2005-06?
55. No option is presented for the expansion of WFD's civil society and political party work. All are for 'status quo' or curtailment. Those presented have not been assessed for their viability: they fail to address a range of issues and implications which each one throws up.
56. Governors interviewed have complained that the report does not reflect their interviews. Two of the five interviewed felt so strongly that they expressed their views direct to River Path; a third did not wish to be listed in the report since the interview had dealt with issues of process rather than the substance of WFD's work. He described the interview as 'completely pointless and unprofessional'.
57. There is no record or analysis of 16 interviews with representatives of associated organisations (other than British Government organisations and interviews during country visits), although the first draft reported that 'WFD is respected by others in the democracy building field'.
58. WFD has identified almost 500 numerical errors in the appendices, on which the report is based.
59. Regrettably, WFD concludes that a consultancy with ample experience in reviewing programmes has failed to grasp fundamental issues in either organisational change or

democracy building. Some aspects of WFD were examined in great detail while others – including those as fundamental as the role of the Board or the impact of frequent changes in Chief Executive – were largely ignored. Despite the considerable resources devoted to the review, its report fails to give the FCO and WFD a robust and balanced examination of the prospects for WFD’s future effectiveness.

Conclusion

60. WFD’s Board has no doubt that, as at present constituted, the Foundation provides a necessary and valuable instrument over and above those which the FCO can provide for itself. While it has achieved considerable success, its potential has not so far been fully realised. The best option available to the FCO is to build on recent successes by re-establishing an arms length relationship with WFD, investing in the development of its impact and effectiveness and reaping the benefits rather than embarking on another period of restructuring with uncertain consequences.

**Appendix A: Letter from Carl Gershman, President,
National Endowment for Democracy, Washington DC**

Mr David French
Chief Executive
Westminster Foundation for Democracy
125 Pall Mall
London SW1Y 5EA

3 February 2005

Dear David:

I am writing to supplement the information I provided the team evaluating the program of the Westminster Foundation.

Although the National Endowment for Democracy (NED) has had a positive cooperative relationship with the foundation since its inception, I am in no position to assess the overall effectiveness of its small grants program. But taking the example of the Endowment, I can state categorically that the grants program we fund and manage simply could not be done by the State Department, the Agency for International Development, or any other agency of the U.S. government.

Over the years, the wisdom of NED's founders to create an organization with an arm's length relationship with the operations of the U.S. government has been repeatedly confirmed. That distance has given us both the ability to fund sensitive programs of a political nature that is deeply related to our mission and the flexibility to move quickly where necessary. Iraq is only the most recent example, where our Institutes and indigenous grantees were on the ground operating critical programs within weeks of our receiving the initial funding. I can think of countless other examples over the years, whether in the Middle East, East Asia, the Balkans, or other regions where we have quite successfully supported groups which, for diplomatic or other reasons, the U.S. government would never have been able to fund.

This is, of course, in no way a reflection of any disagreement with our government, which has its own democratization programs with which we cooperate and share information. In fact, each Administration since our founding has been deeply supportive of our work, as reflected not only in periodic statements of endorsement, but more importantly, in including a generous line item in their annual budgets even during years of retrenchment.

But I wish to emphasize the unique and indispensable role that is played by an independent foundation such as the NED or the WFD, not just in supporting party programs, but also in reaching small, indigenous NGOs that would otherwise and inevitably be ignored by government bureaucracies. That is simply a fact of life.

You should feel free to pass these observations along to the relevant individuals, assessing your work.

With all good wishes.

Sincerely,

Carl Gershman

Appendix B: Letter from Professor Mary Kaldor, Governor



Houghton Street, London WC2A
2AE

Tel. +44 (0)20 7955 7583/6627

Fax +44 (0)20 7955 7591

www.lse.ac.uk/depts/global

David French
Chief Executive
Westminster Foundation for Democracy

Directors
Professor Mary Kaldor
Professor David Held

9 December 2004

Dear David,

These are some comments on the draft River Path Report. Although I am of course a Labour Party Governor of WFD I am providing them in a personal capacity as someone who works on these issues.

The report asks a lot of useful questions, but my main concern is that although the author has wide experience in the review of programmes and their value for money, he does not seriously address the particular issue of how best to foster democracy-building.

First of all, it is surprising, in view of the report's criticisms of WFD's evaluation procedures, that he does not seem to have developed his own methodology for evaluating WFD's work in places like Sierra Leone and Bosnia Herzegovina. Evaluation of democracy building is very difficult because there are no quantitative measures of democracy. In these circumstances, cumulative anecdotal evidence is actually one rather good way of doing evaluation. Some scholars have also developed criteria for assessing impact, such as visibility, participation, individual career paths, as well as more concrete evidence of influence on policies or particular pieces of legislation or policies. Moreover, short-term and partial assessments are often inadequate. The assessments of WFD work in Sierra Leone and Bosnia Herzegovina were rather patchy. I don't know what determined the choice of projects to investigate; nor does there seem to have been a consistent set of criteria. I am rather familiar with WFD's work in Bosnia-Herzegovina and my own view is that, taken as a whole, WFD has played an important role in sustaining a pro-democracy non-nationalist political community there, even if extremist politics still remains powerful and even if some projects, taken in isolation, were less successful than others.

Secondly, democracy-building cannot be done by governments. Democracy is all about public debate, criticism and public pressure. Even though governments need to be responsive to public concerns, democracy is something that is undertaken by active citizens through political parties or associations. Diplomats, of their nature, focus on government-to

government relations and are rightly reluctant to disturb those relations. But democracy is all about non-violent conflict and involving uncomfortable partners. This is why a democracy-building institution needs to be independent of governments and to focus on citizens rather than governments.

Thirdly, WFD's unique structure is what constitutes its comparative advantage. The fact that all the parties are linked through the foundation makes possible cross-party work and cross-party civil society work. In many emerging democracies, political parties do not have a clear ideological orientation and do not easily fit into the British party political model. Being able to do cross-party work and involve civil society at the same time allows us to assist new parties of very different hues and to give practical assistance borne of experience. As far as I know no other democracy-building institution has that capacity. Most are either purely civil society or single party institutions, like the German foundations.

Yours sincerely

Professor Mary Kaldor

Appendix C: A note by Dr Michael Pinto Duschinsky

Michael Pinto Duschinsky was the consultant to the FCO on the setting up of WFD. This note explains the original thinking behind the model adopted in 1992.

To: David French

From: Michael Pinto-Duschinsky

22 November 2004

THE NATURE AND SCOPE OF "POLITICAL AID": HISTORICAL NOTE ON THE FORMATION OF THE WESTMINSTER FOUNDATION FOR DEMOCRACY, 1988-1992.

This memorandum gives a brief answer to the following questions:

- What was the intended function of the Westminster Foundation for Democracy?
- In which sectors was the WFD supposed to operate?
- Was the WFD intended to act principally or exclusively as a vehicle for aid, via British parties, to foreign parties?

I am answering these questions on the basis of the following experience.

In December 1988, the Policy Planning Staff of the Foreign and Commonwealth Office commissioned me to carry out full-time research for one year into the topic of "political aid" with special reference of the US National Endowment for Democracy and the (West) German political foundations. This work was carried out in 1989-90.

In June 1989, the Planners asked me to speak to a high level seminar of ministers and officials on political aid. Following this meeting, the Planners (under Robert Cooper and Jonathan Powell) submitted a set of recommendations - eventually to result in the creation of WFD - to the Foreign Secretary. Following his approval, the proposal to create a capacity for delivering "political aid" was approved in turn by the Cabinet.

A paper which I wrote in February 1990 (titled "Political Aid") was then shown to the leaders of political parties in the House of Commons and approved by them.

The Foreign Secretary announced to the Conservative Party Conference in 1991 the commitment to create the Westminster Foundation for Democracy and I was then asked again by the Planners to draw up documents for the working of the new body, of which I was appointed a founder governor.

WFD formally came into existence just before the general election of 1992.

Subsequently, I was consulted by the Planners in 1994-5 and in 2001 about policy concerning "political aid".

WHAT WAS THE INTENDED FUNCTION OF THE WESTMINSTER FOUNDATION FOR DEMOCRACY?

The WFD was intended as an instrument that would permit the British Government to fund political activities within foreign countries, thereby promoting democracy and British influence.

Such interference in the political affairs of foreign nations had previously been covert and had caused problems when secret financial assistance had leaked into the public domain (as occurred in the United States in the 1960s concerning certain political projects of the Central Intelligence Agency of the US).

The propositions presented in 1989 onwards were that such interference in the internal politics of foreign countries would be more legitimate and more effective (1) if it was OPEN, (2) if it was at

ARMS LENGTH from the governmental bodies which provided the funds and (3) if aid could be given to a PLURALITY OF RECIPIENTS within a single country.

The aid to be funded by the WFD was to be distinguished by the fact that it would be "political" rather than technical or educational. The WFD was to give grants that were recognised as sensitive and risky. For this reason, the size of grants was generally to be much smaller than the "good government" projects funded by DFID (then titled the Overseas Development Administration).

The distinction between technical and educational projects on the one hand and political projects on the other hand required a special legal status for the WFD. The leading firm of solicitors, Allen and Overy, was therefore approached to provide the necessary legal advice.

IN WHICH SECTORS WAS THE WFD SUPPOSED TO OPERATE?

The presentations and papers of the time make it clear that the question of sectors of activity was not central. The distinctive feature of the new Foundation and its comparative advantage was its freedom to give political - rather than technical or educational - grants. The WFD, for example, could give money to political forces which were in direct opposition to existing governments.

Political pluralism sometimes - but by no means always - expressed itself through the organisation of political parties. In many countries, parties could not operate freely. Democracy promotion thus required the capacity to assist a whole variety of political groups and organisations, including newspapers, samizdat publications, independent radio or TV channels, trade unions (such as Solidarnosc in Poland), religious organisations, women's groups, and so forth.

My paper for the Policy Planning Staff of 7 February 1990 titled "Political Aid" made this point clearly. It argued that there was a central distinction between "institutional development" projects such as those typically administered by governmental bodies (such as development aid agencies) and "political aid".

Examples of so-called "good government" projects designed to promote "institutional development" included the training of police forces in developing nations or "the provision of library and computerised information systems for a legislature in an under-developed country". Police training typically was categorised as a "Rule of Law" activity and the provision of library facilities for a parliament was categorised as "Legislative Development". Both activities were of a different character from "political" projects in these same sectors.

The fact that it was the character of the project rather than the sector of activity that was relevant was illustrated (in paragraph 45) by the example of "media":

"projects are commonly classified as relating to "media". But there is the world of difference between projects devoted to training journalists employed by a government run news service and projects which fund newspapers independent of and critical of the government. The latter are more likely to promote pluralism."

The same point was made in greater detail in the paper I was commissioned to write by the Policy Branch of the Canadian International Development Agency. ("Democratic Development and Human Rights: The Practical Dimension" October 1991.)

The paper contrasted some German "media" projects with those of the US National Endowment for Democracy. The German projects in several African countries were examples of technical assistance. They

"have helped governmental information ministries and broadcasting authorities in one-party states. It is evident that, at least in the short run, such ventures may provide training for the propaganda agencies of dictators and, far from promoting democracy, may thus risk consolidating undemocratic regimes."

Such projects were completely different from "political" projects in the media sector such as some of those funded by the National Endowment for Democracy. The NED's media grants in the late 1980s

"have consisted of payments for the benefit of struggling independent media and publications in non-democratic regimes. The OKNO publications in Poland when it

was still under Communist rule, Radio Nanduti in President Stroessner's Paraguay, as well as independent newspapers in Guyana, Sudan, Bulgaria and South Africa are examples of opposition media subsidised by the NED."

In practice, as shown later by the experience of the WFD, support for controversial publications in foreign countries needs to be sanctioned by an independent organisation at arm's length from the donor government. The damage to official government-to-government relationships is likely to be far greater if the grant is given directly by the donor government.

WAS THE WFD INTENDED TO ACT PRINCIPALLY OR EXCLUSIVELY AS A VEHICLE FOR AID, VIA BRITISH PARTIES, TO FOREIGN PARTIES?

Political parties are one key feature of democracies. Thus, the WFD was created to allow British parties to receive public funds for use to aid foreign counterpart parties. The cross-party support given to the leaders of the British parties was a crucial factor in the creation of the Foundation. However, aid to foreign parties was NOT seen as the exclusive activity of the new Foundation. The suggestion that one half of the Foundation's grants should take the form of party-to-party assistance emerged fairly casually in a document I wrote for Planners shortly before the end of 1991.

There were several reasons why party-to-party assistance could not be the whole story of "political aid". (1) In many countries free parties do not exist. During the "pre-transition" phase of democratisation, political expression may take the form of publications by research institutes, samizdat journals, church groups, trade union activities, and so forth. (2) Even where there are political parties in foreign countries and even when these parties are members of the party internationals, there may be no neat fit between the policies and ideologies of British parties and those of the foreign parties. (3) Democratic politics does not exclusively consist of electoral contests between parties. Pressure groups too have vital roles in post-transition as well as pre-transition stages. (4) Research institutes and interest groups sometimes develop into political parties or are "political parties in hiding". Thus any holistic strategy of democracy promotion cannot realistically restrict itself to political parties.