

# CMIREPORT



## Donor Support to Political Parties: Status and Principles

Inge Amundsen

R 2007: 6



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**CMI** CHR.  
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# 1. Why should political parties get donor support?

There is no such thing as a liberal democracy without political parties. However, the political parties of many developing and transitional countries are not functioning well; in particular, the financing of political parties is a recurrent problem. Donors are therefore increasingly rendering support to political parties, although almost only in indirect ways.

In this paper we will take a look at why political parties are important, even indispensable from a good governance perspective, and thus eligible for donor support (chapter 1.1). At the same time, many political parties and party systems in developing and transitional countries are weak not only because of ineffective funding schemes but also because of deep-rooted political, structural and institutional problems (chapter 1.2).

These problems make donor support for political parties necessary, but also difficult. Direct support to political parties is a politically sensitive issue, which poses high risks (chapter 1.3). There is also the problem of possible political manipulation. Party assistance has sometimes been given to achieve certain policy outcomes, thus breaking the principle of non-partisanship and non-intervention in sovereign, domestic politics. Donor support for political parties has raised suspicion, and some donor countries and a large number of developing countries have even banned foreign donations to political parties altogether (chapter 1.3.1).

Direct financial support to parties is therefore very rarely given by donor agencies. Two indirect methods of supporting political parties are preferred: via support to broader democratisation processes (especially elections), and via political parties and party organisations in the donor countries (chapter 2). The main international NGOs and research institutes that are being used as conveyors of donor support for democracy are presented (chapter 2.1).

Even the two indirect methods of support to political parties need to comply with some fundamental principles (outlined in chapter 3). Finally, we present the main party-based organisations that are used as conveyors of party support (chapter 4). The outline of the two types of organisation can serve both as a quick overview, giving some assessment of the main actors, and as a tool for considering the options for support to political parties.

## 1.1 The roles of political parties

A well-functioning party system is a prerequisite for representative democracy. Political parties are the main channel between citizens and political decision-makers. Political parties are essential for both the emergence and the consolidation of democracies. As Schattsneider put it, “*political parties created democracy and (...) modern democracy is unthinkable save in terms of parties*” (Schattsneider 1942:1).

Besides, politics matter. The quality of political parties influences the quality of political institutions, and the quality of the political institutions determines the quality of development policies and economic management. People also have a fundamental right to choose their political leaders. Basic human rights include the political rights of association and representation and ultimately the right to change the government peacefully, through elections.

Although there is no blueprint for what a democratic system is – it is rather a process than a state of being – there is broad agreement about the core functions and responsibilities of political parties in liberal, democratic systems.

Democracy is not only the formal existence of a multiparty system and elections, but also the possibility of government according to the will of the people – as expressed in free and fair elections. Democratisation is consequently a question of opposition. There must be a viable, sustainable, realistic policy alternative to the government in place. There must be an alternative programme and different candidates that people can vote for at elections.

Furthermore, in a democratic system it is the role of political parties to recruit and train political leaders who can fill elected positions at all levels of politics. Political parties are the main vehicles for the education of people in democratic organisation and procedure; they are the “school of democracy”.

Parties are also supposed to aggregate and articulate collective social preferences into practical policies, and to mobilise electoral support for the programmes and candidates they put up. Political parties should thus develop and provide choices for citizens in terms of credible and viable policy options (IMD 2005).

Political parties are also supposed to represent the people and their various interests throughout the election period. Parties should be responsive, not only as a function of elections but also by being approachable to their constituencies (Randall & Svåsand, 2002; Johnston 2005).

Finally, parties in parliamentary as well as presidential systems have a role to play in exercising control over the executive branch (government). Parties are needed to ensure transparency in politics and accountability of (elected) leaders towards their citizens. Parties, both in government and opposition, should hold top officials accountable to party members, programmes and voters.

## 1.2 The problem with political parties

In large parts of the world there are severe shortcomings amongst political parties, which are in many cases unable to fulfil the long list of necessary functions and roles ascribed to them. In many countries political parties also face widespread scepticism and sometimes outright distrust. For instance, perceptions persist globally that political parties and parliaments are the most corrupt of institutions (TI GCB 2006).

### 1.2.1 Authoritarianism and clientelism

One of the structural factors that can cause weaknesses in party organisations (and a weak opposition in particular) is many countries’ long history of authoritarianism and one-party rule. Sometimes a single party has dominated by law or by force, sometimes parties have been banished altogether.

The sheer weight of a ruling party can also obstruct the development of viable power alternatives. Incumbents use state resources to keep out rivals and opposition, and new power-holders can also prove reluctant to open up their newly won positions to criticism and competition. Power is used and misused for self-protection and power preservation purposes, and excessive presidentialism and clientelist politics are the norm in many countries, especially in Africa (Bratton & Walle 1997; Walle 2003).

Presidentialism crowds out the room for opposition parties, and keeps ideological or party-programme difference low, because individual politicians and entire parties are ready to be co-opted into the “presidential majority” or some form of “enlarged government”. Clientelist politics (politics based on informal power networks of friends, allies and family) undermine and resist institutions and institutionalised checks and balances.

Clientelist politics make the role of “opposition” parties substantially different from their role in established liberal democracies. Every politician has to deliver something tangible to his/her constituency in return for their support, but when opposition parties and politicians have so little access to the spoils of power, the opposition cannot deliver and its legitimacy rarely reaches beyond the social standing and the financial capacity of the party president.

### 1.2.2 Private interest and lack of social basis

Another factor working against political parties in many developing countries is that there is a weak social basis for political parties, and few organic links between parties and civil society. A weak

civil society and a lack of interest organisations also lead to structural weaknesses in political parties.

People may be unfamiliar with formal interest organisations, and there may be no organisations to support, correct and voice demands on political parties. There may be few or no collaborative relationships between the parties and secondary organisations such as unions, business associations and churches.

The lack of a solid social basis is partly due to or advanced by electoral procedures and regulations. A high threshold for representation, low thresholds for “independent” candidates and plural voting systems will, for instance, encourage individual candidates to the detriment of party organisations. But the lack of a solid social base can also be the choice of the political parties themselves. Party leaders may prefer to represent “all people” in the form of catch-all parties, rather than specific interest groups.

In many African countries, there is an excessive number of small and ineffectual political parties, which demonstrates a particularly weak correlation between political parties and social interests. Some are created by ambitious individuals, others by the regime in a “divide and rule” strategy. Zaïre reached an all-time high in the late days of Mobutu’s reign, when Mobutu-financed “opposition” parties grossly inflated the number of parties to almost three hundred. Angola currently has 110 political parties, Côte d’Ivoire has about 125, and Cameroon recently legalised its 159<sup>th</sup> party.

### 1.2.3 Lack of organisation and internal democracy

A number of political parties are little more than a post-box address, a group of friends, or an ad hoc vote-for-me association for the election of a particular candidate. Some parties have a very thin organisational structure and little complexity. They are weak in terms of organisational elaboration, have few members and few sub-units or secondary organisations, and have developed little “bureaucratisation” or formal procedure. We have seen examples of political parties that exist in the public sphere only at election time but disappear after the ballot.

Weak party organisations may mean that parties have no or incoherent political programmes and flawed or limited reporting on revenues and spending. They also tend to exhibit poor strategic planning, ad hoc decision-making, and a propensity for opportunism.

Internal democracy can also be a problem for many political parties, especially new parties and parties established to promote the candidacy of particular individuals. Membership may be closed, transparency lacking, and the recruitment of leaders arbitrary or favouritist. Parties may have no internal mechanisms for the peaceful settlement of disputes and conflicts; no internal regulations for debate, elections and leader selection, and no rotation or time limitation of leadership positions.

Some political parties are not even tolerant and pluralistic (democratic), but rather anti-system and/or in search of ethnic, religious or regional proto-hegemony (Gunther & Diamond 2003). In their drive for votes and access to the spoils of power, political entrepreneurs may use “us versus them” rhetoric and mobilise ethnic and religious hatred. Ethnicity is a particularly easy source of clientelist capture in Africa. There are also examples of parties that have instigated violence and terror, and inspired and organised violent supporter groups and mobs.

### 1.2.4 Corruption and embezzlement

When regular, legal and sustainable financial contributions are lacking, political parties tend to seek income from illegal sources. To varying degrees, political parties take ‘grease money’ from private businesses striving for political favours and/or public contracts, and from political entrepreneurs seeking government positions. Political parties are sometimes the mediator of corrupt transactions between government ministries and private companies, and sometimes parties take the initiative and very active in fraud, embezzlement and the misuse of government funds.

Among the forms of corruption that political parties may be involved in, we have seen more or less voluntary contributions and “protection money” from companies and private individuals, the selling of parliamentary seats and government appointments, decorations and titles of nobility, and the trading of inside information. We have also seen financial regulations disobeyed, disclosure requirements violated, parliamentary votes bartered, elections rigged and election officials bribed. Political parties have even engaged in organised crime, for instance smuggling and drug trafficking.

Last but not least, political parties have also resorted to buying votes with hard cash and various gifts. Thus, when political finance regulations are weak and not respected, political parties can actually be one of the main drivers of political corruption. Clientelist parties are particularly prone to corruption, because they are based on interpersonal relationships and an exchange of favours. And ruling parties can be notoriously corrupt because they have more to sell (through their access to government resources) and more to defend (their access to government resources).

### 1.2.5 Weak funding basis

An unproductive national economy and outright poverty are factors underlying the weakness of political parties in parts of the world. In contrast to much of Europe, there are normally no or insufficient state subventions for party organisations in poor countries, and they have little property or regular income from publications and other activities.

There may be hardly any trade unions supporting labour parties, no agricultural or co-operative organisations supporting “agricultural” parties, and very few businesses or commercial/industrial organisations supporting “business-friendly” parties. Besides, individual donations and membership fees do not generate sufficient funds to sustain a party organisation. Members’ purchasing power is meagre, the membership fees are symbolic, and the membership base is unstable.

The income basis for a political party in a poor country largely depends on it being in power or not. Ruling parties and their coalition parties will have access to state funds of various kinds that are on or cross the line of legality, such as state media coverage of their activities and campaigns, government meeting facilities and favours, travel and accommodation. Ruling parties are also funded by local big men, patron-client networks and (their) businesses.

Opposition parties are in a less favourable position. Deprived of the indirect state subventions and lacking the income sources of the private sector, opposition parties often have to bank on the party president’s private funds. To varying degrees they also take contributions from their own cadres holding remunerated positions, but these funds are usually very limited. The question of whether opposition parties are at all economically viable and sustainable while out of government is therefore a crucial one in many poor developing countries.

## 1.3 The problem with donor support

Due to the necessity (indispensability) of political parties, and the inherent problems of political parties in many donors’ partner countries (especially in respect of funding), the international community and donors have increasingly taken up the task of supporting political parties in developing and transitional countries.

Bilateral and multilateral assistance agencies, political foundations as well as international non-governmental organisations (NGOs) have started to design political party assistance programmes, focussing on specific capabilities (such as campaigning, membership expansion and party programme development), institutional strengthening (party organisation development, internal democracy and communication) and financial matters (funding and accounting).

However, support to political parties has mainly been a component of donor support to the broader democratisation agenda, which has focussed on the organisation of free and fair elections, good governance and the strengthening of civil society. Direct support for political parties has

largely been kept out of the picture, mainly because of two crucial problems. The first is that donor support to political parties is not easily provided without interfering in sovereign national politics. We call this the *intervention problem*. Besides, if not properly administered, donor support to political parties runs the risk of contributing to *fragmentation* (the establishment of ever more political parties) and to *polarisation* (widened and deepened political conflicts), and it may contribute to *entrenching the ruling elite* in place.

### 1.3.1 The intervention problem

The foremost problem with donor assistance to political parties is possible, actual or perceived political manipulation. Party assistance, although given primarily for the purpose of fostering democracy, has sometimes been given to achieve certain policy outcomes. Pro-democracy, pro-poor, pro-development policies and the inclusion in society of vulnerable groups such as women, youth, and minorities have been used as arguments to justify support to particular parties.

The promotion of specific policies can be relatively clear and transparent, and justifiable when critical weaknesses are identified, but the principle of non-partisanship and non-intervention in sovereign, domestic politics is thereby already broken. The democratic right of one man, one vote is no longer valid when donor resources push in certain directions, and the principle of party accountability to citizens is broken when donors set conditions for support.

The entire idea of donor support for political parties has raised suspicion and debate, and external influence on domestic politics has been criticised and rejected by many governments and political actors. Some donor countries and a large number of developing countries have even banned foreign donations to political parties.<sup>1</sup>

### 1.3.2 The fragmentation problem

Another challenge is that donor support may lead to increased fragmentation. This is the number of parties in the political system, and high levels of fragmentation make coalition governments necessary, weaken governance and reduce stability.

Support for political parties may, for instance, lead to fragmentation when support is distributed evenly across the political spectrum, such as to all registered parties directly or via the subvention schemes of recipient governments. In large parts of Africa, for instance, there are already an excessive number of political parties, and it would be meaningless to support them all. In fact, donor support may lead to the establishment of even more political parties just to get access to the basic subventions. Support via official subvention schemes may even enhance a ruling regime's 'divide and rule' strategy.

Support for political parties may also lead to fragmentation when parties are supported out of (Western) ideological considerations. If parties are supported to promote, say, women in politics, the inclusion of minorities, or environmental concerns, foreigners are setting the agenda, highlighting issues and imposing preferences, not the parties or the voters. This may lead to the survival of parties that would otherwise have succumbed, and emphasise policy issues that would otherwise not been prioritised or picked up by other parties.

### 1.3.3 The polarisation problem

Another problem is that donor assistance to parties may increase political polarisation. Polarisation is the ideological, political and social distance that separates the parties from each other. High levels of polarisation may lead to increased conflict and political stalemate.

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<sup>1</sup> They include Albania, Argentina, Armenia, Azerbaijan, Bolivia, Brazil, Cape Verde, Chile, Costa Rica, Dominican Republic, Ecuador, Honduras, Indonesia, Moldova, Morocco, Papua New Guinea, Paraguay, Sao Tome and Principe, and Senegal.

When donors seek to promote opposition parties and the participation of particular groups, the result may be to strengthen opposition parties and increase polarisation. A stable government is needed for governance purposes, just as a loyal opposition is needed for democratic and accountability purposes. The right balance is beneficial, executive paralysis is not, politically or economically.

#### 1.3.4 Conservative bias and amateurism

Donor assistance can also have a conservative bias. International relationships tend to conserve established parties to the detriment of newcomers. A “bad” old social democratic party, for instance, may be supported by international social democrats because of a long-lasting relationship, thereby excluding a possibly better “new” social democratic party.

Another challenge is possible partisanship, amateurism and short-term horizons.<sup>2</sup> Technical expertise on political parties and party systems in democratising and transitional countries is still lacking in the international arena, and there is an even stronger need for local experts. Consolidation of a genuine multiparty system is a long-term process. Political conviction, partisanship and eagerness can sometimes override non-partisan and long-term considerations. This is an inherent problem of “sister party” support (see 2.2 below).

A final challenge is that political party support may politicise aid and possibly backfire. Support to political parties is a politically very sensitive issue, and if taxpayers or party members in donor countries suspect that aid is being given for political reasons or to political actors with whom they disagree, hostility and resistance to the entire idea will follow. Existing donor fatigue may be inflated if people do not understand or agree with the principles of party assistance. Internationally agreed upon criteria therefore need to be established in order to select beneficiary parties in a systematic and transparent manner.

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<sup>2</sup> “It is important to note that the international community has rarely had a coherent and comprehensive strategy for party development in a country. Instead, its approach has been opportunistic” (Kumar 2004:7).

## 2. How should political parties be supported?

Given the problems described above, and in particular the problem of interventionism, official donor assistance is only rarely given directly to political parties.<sup>3</sup> Besides, most democracy experts agree that as a general principle, the international community should not provide substantial financial and commodity aid to political parties (Kumar 2004:15). Donor agencies therefore tend to seek an arms-length distance between official, governmental development aid on the one hand, and the sovereign politics of recipient countries on the other. But given the immense need for support to political parties, donors are now increasingly giving support to political parties in two indirect ways: through *support to democratic process* and through *party-based foundations and institutes*.

### 2.1 Indirect via democracy support

One indirect method of supporting political parties is via support for democratic process. Without giving direct (financial or technical) support to political parties, donors have been supporting democracy in many forms, with the more or less explicit aim of also strengthening political parties. The text box below outlines some of the most common forms of democracy support.<sup>4</sup>

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<sup>3</sup> Amongst the few examples of direct funding by bilateral donor agencies to political parties are the support given by some Ministries of Foreign Affairs to the ANC and SWAPO during the apartheid regime, some post-conflict elections funded by the international community (which included some support for political parties) and the joint US, Dutch, Swiss and Swedish support for all political parties in Mozambique prior to the 1999 elections (Öhman et al. 2005:52; Kumar 2004).

<sup>4</sup> The many other forms of democracy support, without any specific focus on political parties, are beyond the scope of this outline.



### Support for Democracy

#### **Constitutional and legal framework**

Often, the constitutional and legal framework is not sufficiently supportive of political parties. The constitution may restrict their operations in various ways, the laws regulating political parties may be weak or discriminatory (lacking regulations for internal democracy, finance, accounting and reporting, for instance), and the electoral rules may inhibit political parties. Legal reform, and donor support for legal reform, may be a basic precondition for political parties to operate effectively.

#### **Electoral commissions and election observation**

Donor support to strengthen the institutionalisation of electoral commissions and elections (the party registration regime, the production of polling material, regulations covering campaigning and the use of symbols, the placement and management of polling stations, training of election officials etc.) is an area of increasing donor focus and support, and may also be a precondition for political parties to operate effectively. Election observation and monitoring have become a large international “business”.

#### **Parliaments and local government**

The representation of political parties and their operation in parliament and other elected bodies (various commissions, boards and local bodies) can be facilitated by certain reforms as well as donor assistance. Aid to technical facilities and to secretarial and research assistance is being given to party groups in parliament and local government.

#### **Media and civil society**

Media regulations (air time and coverage of parties and campaigns in government media, for instance) as well as the general situation of media independence will also have an impact on the functioning of political parties. Civil society organisations and NGOs can also be both supportive of and a watchdog on political parties. These are all areas in which donors are active.

Donor support to democratisation processes is sometimes given directly by bilateral donors to partner country institutions and organisations, and at others times indirectly via national and international governmental and non-governmental organisations that work for the promotion of democracy.

At the global level, one of the most prominent intergovernmental organisations on democracy assistance, with a particular focus also on political parties, is the *International Institute for Democracy and Electoral Assistance*, IDEA, based in Stockholm, Sweden. Membership of IDEA is open to governments, and 24 member countries are represented by their Ministries of Foreign Affairs.

International IDEA is a relatively large and well-resourced organisation. It is financed by the member states and funds from sources such as the *European Commission*, the *Inter-American Development Bank* (IADB) and the *United Nations Development Programme* (UNDP). It had a turnover of close to €11 million in 2005, and it works worldwide, with a staff of 50 in Stockholm and in seven offices in Africa, Asia and Latin America. It has a rich information base, including a database on political finance laws and regulations, with information on the laws on the funding of parties from more than 100 countries (including regulation and enforcement, public funding provisions, bans on sources of funding, disclosure rules and ceilings).

Regarding political parties, International IDEA finds and makes available international experience and comparative knowledge for political parties, candidates, NGOs and other actors.



### **International Institute for Democracy and Electoral Assistance (IDEA)**

The *International Institute for Democracy and Electoral Assistance* (International IDEA) is an intergovernmental organisation that supports sustainable democracy worldwide.

International IDEA acts as a catalyst for democracy building by providing knowledge resources, expertise and a platform for debate on democracy issues. It works together with policy makers, donor governments, UN organisations and agencies, regional organisations and others engaged in democracy building.

International IDEA's areas of expertise include constitution-building processes, electoral processes, political parties, democracy and gender, and democracy assessments. The Institute offers knowledge resources (in the form of networks of experts, databases, handbooks and websites), policy proposals to provoke debate and action on democracy, and assistance with democratic reform in response to specific national requests.

International IDEA works worldwide, and has offices in Africa, Asia and Latin America. Country reports on political parties in Kenya, Botswana, Namibia and Ghana are now available in International IDEA's global political parties database, which is continuously updated with more country and regional reports from all over the world.

#### **IDEA's Sudan Project**

The Comprehensive Peace Agreement in Sudan, signed between the government and the Sudan People's Liberation Movement (SPLM) in January 2005, is paving the way for a transition to multiparty democratic elections in 2009. Despite the long tradition of active political parties in the country, the challenges that they face in the transition period are many. The civil wars in the South, East and West have undermined both the role and capacity of political parties. Since July 2006, International IDEA and partners have been engaged in a programme in Sudan that seeks to assist in developing and strengthening political parties so they perform as effective promoters of democratisation and good governance. The Institute has also recently opened a Sudan project office in Khartoum.

The Sudan project is a partnership led by *International IDEA* together with *EISA*, the *Canadian Parliamentary Centre* and *Partners in Development Services* (PDS) in Sudan. The project is funded by a grant from DFID through the Foreign and Commonwealth Office.

Source and more information: [www.idea.int](http://www.idea.int)

For more information, see IDEA's Sudan pages: [http://www.idea.int/africa/sudan\\_strengthening\\_pp.cfm](http://www.idea.int/africa/sudan_strengthening_pp.cfm)

Another international organisation working on democracy assistance to transitional and democratising countries is *IFES* (formerly the *International Foundation for Election Systems*). This is an American foundation mainly funded by the *US State Department* and the *US Agency for International Development*, but with contributions also from US state and municipal governments, and bilateral and multilateral donors.

IFES is a large foundation, with around 40 permanent senior staff. It had an overall turnover in 2003 of close to €29 million. IFES works on governance, civil society, the rule of law, and elections. In terms of elections, IFES does the practical work of helping to establish independent electoral commissions, drafting new electoral codes, designing get-out-the-vote campaigns, training poll workers, procuring election materials, equipping polling stations and doing everything possible to put the essential mechanisms of elections in place.

In terms of political parties, IFES's focus is mainly on elections (technical expertise) and on political finance standards (see, for instance, the IFES-managed *Money and Politics Programme* at [www.moneyandpolitics.net](http://www.moneyandpolitics.net)).



### IFES

IFES operates in new and developing democracies in over 20 countries. The staff is global with 150 professionals from 25 countries, leading technical assistance projects for international and bilateral donor organisations such as USAID, the UN, DFID, the OSCE and others. Since the founding in 1987, IFES has worked with election assistance and democratic development in over 100 countries.

IFES' international professionals ensure that democracy solutions are home grown. Every IFES project team partners with local organisations and every project is staffed by local personnel. Whether establishing a civic education project in Bishkek or a new independent election authority in Iraq, IFES professionals work closely with local networks to deliver expertise that fits the needs of the country or client, thus ensuring that the benefit of assistance lasts far beyond the life of the project.

From Haiti to Liberia to Afghanistan, IFES professionals provide technical assistance across many areas of democracy development. We have developed service lines and regional representation around the world that allow our professionals to deliver democracy solutions rapidly — with the innovation, experience and results that only an organization with almost 20 years of dedicated democracy work can do.

Source and more information: [www.ifes.org](http://www.ifes.org) & [www.moneyandpolitics.net](http://www.moneyandpolitics.net)

There are also a large number of other international government organisations (IGOs) and non-government organisations (INGOs) that receive donor money for democratisation and party-strengthening purposes. Many of these specialise in election observation and monitoring.

Of the organisations specialised in election observation and technical assistance to electoral systems, *ACEEEO*, *NORDEM* and *NEEDS* are important. **ACEEEO** (*Association of Central and East European Election Officials*, [www.aceeeo.org](http://www.aceeeo.org)) is an organisation for election officials and experts, directed at the transition countries in Eastern Europe. **NORDEM** is a programme of the *Norwegian Centre for Human Rights* and the *Norwegian Refugee Council* ([www.humanrights.uio.no/english/nordem/index\\_ny.html](http://www.humanrights.uio.no/english/nordem/index_ny.html)) which provides qualified personnel, mainly election observers, election supervisors, human rights monitors and democratisation officers.

**NEEDS** (*Network of Europeans for Electoral and Democracy Support*, [www.needs-network.org](http://www.needs-network.org)) is a London-based network that brings together some of the leading European organisations and individuals involved in the field of election observation.

Other organisations specialised in election observation, but with additional broader activities in electoral assistance, democracy promotion and partially also political parties, include the US-based *Carter Center* ([www.cartercenter.org](http://www.cartercenter.org)) and the *Election Observation Service* of the European Parliament ([www.europarl.europa.eu/intcoop/election\\_observation](http://www.europarl.europa.eu/intcoop/election_observation)). At the regional level, we should mention *EISA* in the southern African region ([www.eisa.org.za](http://www.eisa.org.za)), which also provides technical support to political parties.

There are also governmental organisations with activities on electoral assistance and democracy support, with some focus on political parties, such as the *UNDP* and its programme on democratic governance and the *UNDP Oslo Governance Centre* ([www.undp.org/governance/index.html](http://www.undp.org/governance/index.html) and [www.undp.org/oslocentre](http://www.undp.org/oslocentre)). The UNDP is present in very many developing and transitional countries. There is also a new and highly recommended joint project called *ACE Electoral Knowledge Network* ([www.aceproject.org](http://www.aceproject.org)). ACE provides information on elections and promotes networking among election-related professionals.

At the national level, there is a very large number of NGOs working on democracy support in various forms, but rarely on party assistance. There are also a number of private, commercial consultancy companies and contractors working in the field of democracy support and electoral assistance on behalf of donor agencies, and a few of these also give technical and administrative support to political parties. Two examples are the UK-based *Electoral Reform International Services* (ERIS, [www.eris.org.uk](http://www.eris.org.uk)) and the US-based *Development Alternatives Inc.* ([www.dai.com](http://www.dai.com)).

## 2.2 Indirect via party-based organisations

The second indirect method of donor support for political parties is via support to party-based organisations. These are political foundations and institutes (more or less closely) related to one or several political parties, which cooperate with likeminded parties abroad.

Altogether there are least 32 European and two American party-affiliated foundations and institutes. These are either based on or affiliated to *one* party, like the German *Stiftungen*, or based on several political parties in a country, like the Netherlands *Institute for Multiparty Democracy*.

The *one-party* organisations are usually called *foundations*, and they have a mainly bi-party approach to their cooperation, working with ideologically similar “sister parties”. Sometimes this cooperation includes direct assistance to party organisations in developing and transitional countries. A number of foundations, however, also render general democracy support,

The *multiparty* organisations are usually called *institutes*, and most have been established by all (or most) parties represented in parliament. These institutes usually have a multiparty approach to their party support. They operate through multiparty recipient organisations and government subvention schemes for direct party support (normally to all parties in the party system), but also work on democracy assistance and structural conditions.

There are foundations based on *one* party in four countries: the Netherlands, Sweden, Germany and the US. Of these, the Netherlands *Stichtingen* engage primarily in sister-party assistance, whereas the German *Stiftungen* and Swedish foundations mainly provide party system and democracy support. The American foundations (called institutes) provide only multiparty and democracy support.

There are institutes based on *several* (all) parties in three countries: Norway, the Netherlands and the UK. The Norwegian institute provides almost only sister-party support, the UK institute about 50-50 sister-party and multiparty democracy assistance, and the Netherlands institute only multiparty support and democracy assistance.

This structure gives us the following possibilities in terms of party basis (one or several/all parties in the donor country) and form of support (bipartisan, sister-party support or multiparty and party system/democracy support).<sup>5</sup>

		Party basis	
		One party Foundations	Several (all) parties Institutes
Form of support	Sister- (bi-)party assistance	NL: 7 <i>Stichtingen</i>  (S: 7 <i>Foundations</i> ) (D: 6 <i>Stiftungen</i> )	N: <i>NDS</i> UK: <i>WFD</i>
	Multiparty democracy assistance	USA: <i>NDI + IRI</i> S: 7 <i>Foundations</i> D: 6 <i>Stiftungen</i>	NL: <i>NIMD</i> UK: <i>WFD</i>

All these party-based organisations give special attention to political parties in their democracy assistance activities, either through their direct sister-party support or in their democracy assistance programmes. Basically, party assistance seeks to:

- improve the organisational capacity of parties (the party organisation);
- promote internal democracy within parties;
- enhance the capacity of parties to function in the legislature;
- enable parties to participate in electoral processes (strengthen electoral campaigning);
- increase the participation of specific groups in party politics and elected bodies (like women, youth and ethnic minorities); and to
- promote certain policies (like pro-poor, pro development, pro democracy).

The specific forms of political party assistance vary according to the situation, needs and donor approaches. Broadly, the forms of assistance are:

- financial and commodity assistance;
- technical assistance, including bookkeeping and auditing;
- assistance with workshops, seminars and meetings;
- training of political leaders and party functionaries;
- advice and technical assistance to outreach, media and promotion;
- research and polling capacity; and (last but not least)
- visits and foreign tours.

<sup>5</sup> Note that this is not an exhaustive list. There are also a few Austrian, French, Greek, Portuguese and Spanish party-based *foundations*, but these are small (most with less than €3 million in annual budgets). Canada and Finland will probably establish party-based support *institutes*.



### Common forms of party-to-party support

#### Organisational strength

This component includes support to the development of strategic plans and coherent party programmes, training of personnel in technical and organisational matters, leadership and internal communication. It also includes assistance to the development of regional and local party institutions, policy research capacity and international networking.

#### Internal democracy

This includes support to the development of impersonal, internal rules and procedures to avoid arbitrariness. International standards exist for codes of conduct, due process, transparency, accountability and debate regulation, and good practices exist for the election of leaders, candidates, programmes and policy preferences. Support for visits to observe caucuses and member meetings in established parties can be inspiring.

#### Policy influence

The strength of a party to exert influence on public policies can be supported in many ways. Study tours to learn from good practices in terms of party group organisation in well established parliaments is one example, and support has been rendered to enhance parties' knowledge and skills in state budgeting, law-making and other technicalities. Examples of inter-party interaction and coalition building could also be given.

#### Fund-raising, accounting

In terms of financial accountability and transparency, reporting and fund-raising, international contacts, standards and experiences have enhanced this capacity.

#### Electioneering capacity

The ability of parties to gain votes has been supported by assistance to public outreach and media use, by assistance to efficient election campaigns, image making and polling. Note: some foundations/institutes do not support parties' election campaigns.

#### Inclusion and participation

Some organisations have also given support to increase the participation of specific groups in party politics and elected bodies (such as women, youth and ethnic minorities) and to promote certain policies (such as pro-poor, pro development, pro democracy), but except for women programmes this is a relatively unusual activity because of the interventionist problem.

### 3. Principles

International political party assistance seeks to reform and strengthen political parties to promote multiparty democracy in transitional, developing and post-conflict societies. In order to accomplish this, however, some essential principles should be adhered to. These principles also form the basis for the short evaluations in the next chapter, where we look at individual party-based organisations and institutes and the forms of support they are rendering.

#### 3.1 Based on thorough analysis

Donor assistance to political parties must be based on a thorough analysis of the political situation in the recipient country, and assistance plans must factor in local conditions before any specific approach and programme can be determined.

Too often, support is given to similar parties on political and/or ideological grounds. This is in particular the case of the bi-party “sister party” approach and an inherent problem of party-to-party support. There have, for instance, been examples of support given to an overly dominant ruling party in semi-authoritarian countries because it had the correct party colour and belonged to the proper international party organisation. And there have been examples of support given to parties on ideological grounds that did not win any representation at elections, precisely because the “ideology” felt strange and alien to the voters.

Much is still lacking in terms of proper initial problem analysis, discussion and agreement. Some substantial work has been done, and more is on its way, but there is still a need for systematic and comprehensive analysis. One example of very useful studies of party systems, specific parties and the institutional and legal background in particular countries is worth mentioning, namely the studies produced by the *Friedrich Ebert Stiftung* (but in German only, [library.fes.de](http://library.fes.de)).

As a part of the analysis, evaluations and systematic studies of the impact must also be made, and lessons learned must be collected and shared. This work is now only beginning to emerge (for an outline of possible standards and benchmarks for evaluations, see Burnell 2004, ch. 4).

#### 3.2 Based on partnership

Another basic principle for political party support is that party leaders (in recipient countries) should be the ones to identify the needs of their political parties, not their sister parties or the international community. The sense of partnership and ownership of party assistance programmes is still weak, and recipient responsibility is lacking.

Although the principle of sister party solidarity can be a good one (because parties sharing the same world view and ideology will understand each other and communicate well), this approach is quite difficult to apply in regions where reasonably similar parties are hard to find. In regions such as Sub-Saharan Africa, the Middle East and North Africa, as well as parts of Asia, parties with the same ideological profile may not exist and “party-hunting” missions are absurd. This is why the party-to-party approach is better suited in countries situated closer in terms of geography and ideology, like Eastern and South-Eastern Europe and Latin America.

A good partnership approach is being developed by the *Netherlands Institute for Multiparty Democracy*, and can serve as an example. The NIMD facilitates the establishment of and supports the management of intra-party centres, forums for dialogue and institutes in partner countries. These serve as platforms for intra-party communication, prioritisation and support. This allows the political parties collectively to develop the modalities for support to individual parties, to have a fully transparent disbursement of funds, and to establish performance criteria and monitoring.

In Bolivia the political parties have formed the intra-party institute *Bolivian Foundation for Multiparty Democracy*; in Kenya the political parties have launched the *Centre for Multiparty Democracy – Kenya*; and in Ghana the parties cooperate in the *Ghanaian Institute for Economic Affairs*. Similar institutions are in the making in Tanzania, Malawi, Zambia and Guatemala.

### 3.3 Based on parallel support to political system reform

A third principle is that party support should be mainstreamed to democracy assistance. Political parties do not operate in a vacuum. They need to evolve in a process that closely follows and parallels social and political developments. The political culture may need to develop, and the structuring institutions may very well be in need of basic reform for parties to function well. International assistance programmes should also target their resources on the legal and institutional conditions in which parties operate.

Party support will have to take different routes in authoritarian, semi-authoritarian, newly democratised and more established democracies. In authoritarian regimes, support for political parties will have to be rendered to opposition parties in exile or underground, and to civil society organisations, media, churches and others that can substitute for the non-existence of a legal party opposition.

In semi-authoritarian regimes, democracy support will help establish a legal and viable opposition as an alternative to the dominant party and ruling elite. Here, constitutional reform, free and fair elections and support for institutions providing checks and balances will be as important as support for political parties.

In newly established democracies, a new ruling party may be as much in need of support as the opposition parties, because what is paramount is the establishment of democratic routines and democratic consolidation. In post-conflict situations, civil society organisations may need to be developed into building blocks for political parties. In established democracies, support for political parties is hardly needed.

#### 3.3.1 The legal basis

Under what legal conditions do parties operate? The constitution and relevant laws and by-laws, such as the law on parties and the regulations governing party work in parliament, provide the legal basis for the operation of political parties. There should be detailed studies of this legal basis to determine the need for reform and additional regulation, and discussions with party leaders and activists in order to improve the laws and regulations.

For instance, the party law and the conditions required for the registration of a party can be specified to increase the levels of programme formulation. Internal democracy can be strengthened by legal requirements and codes of conduct for leader selection and dispute settlement, for instance. Regulations can also be made stricter on parties' financial management, transparency and accounting (Austin & Tjernström 2003). Donor should seek to know and to improve party-related laws and regulations.

#### 3.3.2 The electoral system

Electoral systems can have a strong impact on the strengths and effectiveness of political parties. Electoral systems can increase or decrease the functional role of political parties as well as the level of fragmentation and polarisation of the system (Kunicová & Rose-Ackerman 2005).

Electoral systems that make it easy to be presented and elected as an independent candidate for legislative elections, for instance, will weaken the role of parties. In contrast, electoral systems that restrict independents (or have strong minimum criteria for independent candidates, like a number of signatures from a number of electoral districts) will strengthen the role of parties.

Furthermore, the procedures for the registration of candidates and political parties, as well as government subvention schemes, can also be too relaxed and generous, and allow an excessive number of parties.

Rules and regulations regarding the coverage of campaigns by private and state media, such as air time, commercial spots and campaign spending ceilings, may also be lacking or in the need of reform. Balanced coverage by state media should be a minimum requirement. A number of countries have introduced ceilings on campaign spending to avoid excessive spending and ensure a more level playing field, but this requires monitoring by civil society and institutions like an electoral commission.

Finally, the electoral system can misfit the circumstances. For instance, research and experience has demonstrated that countries deeply divided by ethnicity and/or religion may be better served by a plural than a majority electoral system (proportional representation instead of a simple majority system). Proportional systems make it easier for minorities to be represented, but at the same time they necessitate coalition governments and can lead to weaker government. The right balance between fragmentation and polarisation will have to be struck and the electoral system decided upon by all actors and interests involved.

### 3.3.3 The parliament

The parliament is perhaps the most important institution for democratic checks and balances. The parliament ensures representation and participation, and insight and control. The parliamentary checks and balances function can actually be upheld even in the most unfavourable setting; we have, for instance, seen that the Parliament of Vietnam (a communist one-party system) is one of the few institutions providing some “opposition” and criticism. At the same time, constitutionally and potentially strong parliaments may be weak in terms of checks and balances if the ruling majority encompasses both the presidency and the parliament, on an absolute majority basis and for a long time. Imbalanced parliaments and absolute majorities may hamper the role of opposition parties.

Parliamentary regulations and traditions, as well as the political situation, may strengthen or weaken the role of parties. One factor that strongly supports party influence is a ban on floor crossing (i.e. it is impossible for elected deputies to change party during the term; party defection means that the next person on the original party list automatically becomes the MP). This is the case in a number of countries, including Angola.

Another factor that can strengthen the role of parties is the organisation of parliamentary work according to party groups, such as representation on various committees and the presidency, and not according to geographical area or seniority. Parties are also strengthened considerably if parliamentary facilities and services such as office space, secretarial assistance, travel and reimbursement of expenses are granted on a party rather than an individual basis.

## 3.4 Based on donor cooperation and harmonisation

### 3.4.1 Internal cooperation

There will have to be close cooperation between governmental donor agencies and party-based organisations when the latter are used as implementers of official development assistance in the form of party support. There should also be a distinct separation of roles between the two.

When public development assistance funds are used to support political parties in partner countries, precedence must be given to the donors’ official support criteria. This means thorough analysis, efficient implementation, evaluation of results and transparency in operations. The lack of strict support criteria is a particular problem (and a continuing struggle!) in situations where party-

based organisations are separated from the oversight and control mechanisms of official donor assistance, as in Norway and Sweden.<sup>6</sup>

The situation is somewhat different for the multiparty institutes, which are established for the purposes of democracy and party support. The multiparty institutes are usually more dependent on the funding agency, and more compliant with official donor agency policies. It is also the multiparty institutes that have made the first systematic evaluations and impact assessments.

#### 2.4.2 External cooperation

There will also have to be close cooperation between the foundations and institutes working in the same recipient country or region. This cooperation is far too weak at present, and should have been introduced as a condition (requirement) by the donor agencies that provided public funds in the first place. It goes without saying that shared analysis and joint discussions on strategies, terms and conditions of party support among donors, institutes and foundations working in one and the same country would greatly enhance the quality of their party support.

There should also be better information exchange and collaboration between donor agencies and various recipient country institutions. The legitimacy of party support is enhanced when different stakeholders are invited to take part, such as NGOs, academia, the parliament, the media, and institutions for local party support like national election commissions.

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<sup>6</sup> One Swedish assessment reads: “assistance for sister parties, run in close and often personal relationships, cannot automatically be expected to be the most relevant factor in strengthening the party system and democracy in a particular country” (Uggla et al., 2000, “Utvärdering av stöd genom svenska partianknutna organisationer”, cited in Öhman et al. 2005:11-12).

## 4. The party-based organisations

### 4.1 Internationals, institutes, foundations

At the global level, there are a few party-based organisations, political “internationals”, which are based on a common ideological platform and have political parties as members. The best known is the *Socialist International*, which is a worldwide organisation of social democratic, socialist and labour parties. It does not implement any party assistance projects, but to a small extent it has been funding such projects. The same is the case for the *Liberal International*, *Centrist Democrat International*, and the *Global Greens* ([www.socialistinternational.org](http://www.socialistinternational.org); [www.liberal-international.org](http://www.liberal-international.org); [www.idc-cdi.org](http://www.idc-cdi.org), [www.globalgreens.info](http://www.globalgreens.info)).

At the European level, among the party groups represented in the European Parliament there is only one group with a foundation having party assistance projects: the *European Forum for Democracy and Solidarity* (EFDS). EFDS was founded in 1993 by the social democratic (labour/socialist) parties of the EU countries. The EFDS is mainly preoccupied with strengthening sister parties in Eastern Europe, in new and possible EU member countries ([www.europeanforum.net](http://www.europeanforum.net)).

At the national level, however, there are party-based foundations and institutes in many European countries. These are based on one party (usually called *foundations*) or several parties (usually called *institutes*). In the Netherlands we find both.

The links between the party and the party *foundation* may be more or less close, and they may also have other member organisations. Labour unions and cooperative associations may, for instance, be members of social democratic foundations, and environmental organisations members of green foundations.

The *institutes* are based on several (or all) national parties, and they are usually of more recent establishment (from the mid-1990s, when the “third wave of democratisation” took place). The institutes have been set up explicitly to deliver democracy and party assistance to transitional and developing countries, they are closer to official donor agencies, and they have less focus on ideology.

### 4.2 The German foundations

In Germany, all political parties have a foundation (*Stiftung*) for democracy building, outreach, research and international cooperation. In terms of activities abroad, they support CSOs, business organisations, labour, women, etc. and they promote legal reform by working on legal and constitutional systems and strengthening elections and electoral systems. A very small part of this is support to political parties, as direct (cash) support is not permitted in Germany.

Compared to the rest of Europe, the German foundations are quite old; most were established in the 1960s. And in contrast with the rest of Europe, the German foundations are large organisations. Whereas the sum total of the budgets of all European and American party-based organisations – foundations and institutes combined – comes to almost €500 million, the German foundations alone account for more than €350 million of this.<sup>7</sup> But the other foundations and institutes are increasing their budgets substantially and the picture is changing. The German

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<sup>7</sup> Sources for this and the following figures are van Wersch & de Zeeuw (2005), the organisations’ websites and annual reports. Please note that the figures are approximate and may be from different years (2003, 2004 or 2005). Also note that “party support share” for most institutions includes broader democracy support components, and field offices include all offices abroad. For the exact and updated facts and figures please refer to the organisations.

foundations are all predominantly financed through grants from the federal budget and the various *Bundesländer*.

It must be noted, though, that the German foundations are much more than party-to-party support organisations. They are first and foremost idea laboratories, think tanks, and promoters of a particular interest or ideology.

The ***Friedrich Ebert Stiftung*** (FES) of the Social Democratic Party is the largest of the German foundations, with a budget exceeding € 125 million. The foundation employs several hundred people in its offices in Bonn and Berlin, including the academy (*Politische Akademie*). The foundation has 14 regional and over 100 national offices.

FES's support to political parties is a minor activity of the foundation. It is one element of a much broader programme on democratisation that includes political dialogue, parliamentary work, women's participation, decentralisation, constitutional reform, the media and trade unions. Like the other German foundations, FES has been cautious about engaging in bilateral cooperation with particular political parties. In Kenya, for instance, FES gives support to political parties, but only through local partners and the state funding scheme. However, FES has previously cooperated with so-called *privileged partners* such as South Africa's *ANC* and Mozambique's *Frelimo*.



### Friedrich Ebert Stiftung (FES)

Founded:	1925
Number of staff:	570
Number of field offices	> 100
Affiliated party	Sozialdemokratische Partei Deutschlands (SPD)
Annual funds	€125 million
Democracy support share	20%
Website	<a href="http://www.fes.de">www.fes.de</a>

The ***Konrad Adenauer Stiftung*** (KAS) is the second largest of the politically affiliated foundations in Germany, with an annual budget exceeding €100 million. Like FES, KAS funds policy research in the mould of a think tank, and the larger part of its sponsorship is research in the social sciences broadly speaking. In terms of its international cooperation, KAS focuses on the role of the media, political education, women, and the rule of law.

As an example, KAS activities in Africa are organised through 15 country offices with a staff of 16. KAS does not support any African political parties financially, but KAS has had close links with the *Inkatha* movement in South Africa.



**Konrad Adenauer Stiftung**

**Konrad Adenauer Stiftung (KAS)**

Founded:	1956
Number of staff:	
Number of field offices	60
Affiliated party	Christlich-Demokratische Union Deutschlands (CDU)
Annual funds	€100 million
Democracy support share	20%
Website	<a href="http://www.kas.de">www.kas.de</a>

The four other German foundations work in a similar manner to the FES and KAS, with a combined annual budget of around €150 million.



**Other German Foundations**

Friedrich Naumann Stiftung	Freie Demokratische Partei (FDP) <a href="http://www.fnst.de">www.fnst.de</a>
Heinrich Böll Stiftung	Bundespartei Bündnis 90/Die Grünen <a href="http://www.boell.de">www.boell.de</a>
Hanns Seidel Stiftung	Christlich-Soziale Union in Bayern (CDU/Bayern) <a href="http://www.hss.de">www.hss.de</a>
Rosa Luxemburg Stiftung NRW	Die Linkspartei PDS <a href="http://www.rls-nrw.de">www.rls-nrw.de</a>

### 4.3 The Netherlands foundations and the NIMD

In the Netherlands, there are 7 single-party foundations (*Stichtingen*) and one multiparty organisation. The Dutch political foundations are relatively similar to the German foundations and they are funded mainly by the government. The difference is that they are all quite small, accounting for altogether less than €2 million. On the other hand, they have a primary focus on party-to-party support (90%).

The Dutch party foundations all have their main focus on support to the development of democratic parties in Eastern and South Eastern Europe. Among the political foundations, the

largest is the *Alfred Mozer Stichting* (AMS) of the Dutch Labour Party ([www.alfredmozerstichting.nl](http://www.alfredmozerstichting.nl)).

The Netherlands *Institute for Multiparty Democracy* (NIMD) was established in 2001 by the Dutch political parties represented in parliament, with the mandate to support the development and consolidation of political parties in young democracies. As such, it has a primary focus on support for political parties, with 90% of its operational budget allocated for this purpose (10% for civil society). The NIMD is fully financed by the *Dutch Ministry of Foreign Affairs*.

The NIMD is one of the world's best functioning organisations for democracy and multilateral party-to-party support, and it has seen its budget increase quickly and substantially since its foundation. It now has an annual budget of around €6.8 million (2004), and this is growing fast.

The NIMD is functioning well first of all because it combines the forces of both governing and opposition parties in the Netherlands, and as such it is an expression of the consensus and shared responsibility principle. The performance of the political system is the joint responsibility of all political parties.

Secondly, the NIMD draws upon a solid base of experience and expertise. The organisation's experience stems from many years of cooperation with South Africa, Mozambique and Guatemala by its predecessor, NZA. Besides, it has a permanent staff of 19 country and political experts.

Thirdly, the NIMD approach emphasises inter-party dialogue in its cooperation work, as well as recipient ownership and responsibility. For this purpose, the NIMD attempts to find or create organisations similar to the NIMD: multiparty organisations for dialogue, expertise and consensus-building.



NETHERLANDS INSTITUTE FOR MULTIPARTY DEMOCRACY

### Netherlands Institute for Multiparty Democracy (IMD)

Founded:	2001
Number of staff:	19
Number of field offices	2 (Guatemala and South Africa)
Partner countries	Mali, Ghana, Tanzania, Zambia, Mozambique, Zimbabwe, Malawi, Guatemala, Surinam, Bolivia, Indonesia, Kenya, Georgia, Nicaragua and South Africa
Affiliated parties	Christen Democratisch Appèl (CDA), GroenLinks, Partij van de Arbeid (PvdA), Volkspartij voor Vrijheid en Democratie (VVD), Politieke Partij Democraten 66 (D66), Staatkundig Gereformeerde Partij (SGP)
Annual funds	€6.8 million
Party support share	90%
Website	<a href="http://www.nimd.org">www.nimd.org</a>

## 4.4 United Kingdom: Westminster Foundation for Democracy

The United Kingdom *Westminster Foundation for Democracy* (WFD) was established as recently as 1992. It is based on all UK parties, organised as a “non-departmental public body”. The WFD is sponsored by the *Foreign and Commonwealth Office* and is accountable to Parliament. Budget-wise, the WFD is on par with the NIMD.

In terms of spending, half its grants are distributed between the UK parties for bi-party cooperation, via the *Conservative, Labour, Liberal Democrats* and the smaller parties, on a proportional basis. The other half is allocated by the WFD to democracy support projects, partly run by the WFD itself and partly allocated to national and international organisations.

All three main political parties in the UK have developed programmes for joint activities and support for their sister parties, but they also work on a cross-party basis. The party-to-party support is largely in the form of party organisation development, election preparation, communication and campaign strategies, media skills and grassroots work. The democracy assistance projects (of the parties and of the WFD proper) are directed towards local government, parliaments, civil society organisations, women and youth, elections, the rule of law and the media.

 Westminster Foundation for Democracy	
<b>Westminster Foundation for Democracy (WFD)</b>	
Founded:	1992
Number of staff:	12
Number of field offices:	0
Affiliated parties:	Conservative Party, Labour Party, Liberal Democrats, Democratic Unionist Party (DUP), Plaid Cymru, Scottish National Party (SNP), Social Democratic and Labour Party (SDLP), Ulster Unionist Party (UUP)
Annual funds:	€6.2 million
Party support share:	65%
Website:	<a href="http://www.wfd.org">www.wfd.org</a>

## 4.5 USA: the NDI and the IRI

The two main American party-based organisations are institutes linked to the two main US parties, the *National Democratic Institute* (NDI) of the Democratic Party and the *International Republican Institute* (IRI) of the Republican Party.

Both the NDI and the IRI receive a substantial part of their funding through the *National Endowment for Democracy* (NED), which is funded by the US Congress. In addition, there are funds from the US Agency for International Development (USAID), the US State Department, and grants and donations from individuals. In terms of budget size, the NDI and IRI are located somewhere in between the largest German foundations.

The *National Democratic Institute* (NDI) is a non-partisan non-profit organisation. Although it draws on the traditions of the US *Democratic Party*, it does not work with or via this

party. The NDI works with international party organisations and with a large number of international and national organisations, plus a network of volunteers and experts. The NDI supports and assists parties from across the democratic political spectrum.

The NDI has an explicit approach on political party building, but is also actively involved in broader democracy support activities like citizen and women's participation, election processes and strengthening legislatures. The political party support programme of NDI is in the form of approximately 50 political party programmes worldwide, both at the country and regional level.

The NDI's party assistance falls into three main areas: promoting the long-term operational and structural development of political parties, enhancing parties' competitiveness in local, regional and national elections, and helping parties to participate constructively in parliament. In several countries, party assistance programming addresses other areas such as citizen participation, legislative development, election processes and women's political participation.

The NDI has a good database and web resources collection on political parties. Its publication series *Political Parties and Democracy in Theoretical and Practical Perspectives* examines the topics of party law, party finance, intra-party democracy and communication. They also have an excellent database of *Government Regulations of Political Parties and Party Politics*.



**National Democratic Institute for International Affairs (NDI)**

Founded:	1984
Number of staff:	80 (senior staff)
Number of field offices	55
Affiliated US parties	Democratic Party
Annual funds	€45.7 million
Party support share	15%
Website	<a href="http://www.ndi.org">www.ndi.org</a>

The *International Republican Institute* (IRI) is only slightly smaller than the NDI; it was established one year later and draws on the same public funds. The IRI is also a non-partisan organisation, linked to but not working through the *Republican Party*. The IRI “*advances freedom and democracy world wide by developing political parties, civic institutions, open elections, good governance and the rule of law*”.

NDI supports and assists parties from across the democratic political spectrum, both bilaterally and in regional programmes, as a part of its wider democracy support efforts. In contrast to the NDI, the IRI is perhaps weaker in its analysis, but stronger in election observation and in its ideological commitment to fight for democracy in authoritarian countries such as Cuba, Belarus, Burma and Zimbabwe. In the field, the NDI and the IRI work closely together, and to most people they are hardly distinguishable.



### International Republican Institute (IRI)

Founded:	1983
Number of staff:	19 (senior staff)
Number of field offices	46
Affiliated US parties	Republican Party
Annual funds	29.3 million €
Party support share	10-15%
Website	<a href="http://www.iri.org">www.iri.org</a>

## 4.6 The Swedish Foundations

Sweden has a *political foundation* system not unlike Germany. Each of the seven foundations is linked to a specific political party, but many of them also have civil society organisations as members. The Swedish party foundations are rather close to the parties themselves; the distinction is sometimes unclear and the personnel and activists overlapping. The smaller Swedish foundations often consist of one person supported by a board, and in many cases this person is also the “international secretary” of the party.

The seven Swedish political foundations are rather small, except for the *Olof Palme International Centre*, whose annual budget of around €12.5 million is partly due to contributions from its 28 member organisations. The smaller foundations are more dependent on funding from *Sida* (The Swedish International Development Agency), which has a special €4.2 million (2004) fund earmarked for the political foundations and their democracy and party-to-party assistance. The funds are distributed according to the number of parliamentary seats of each party, plus core funding (in other words, the funding scheme is not based on recipient needs, analyses or achieved results).

The party foundations decide for themselves on countries, partners and projects. There are few or vague guiding directions and few joint or inter-party projects (only 8 -10 %), but the smaller foundations have a very strong party-to-party (sister party) focus. This has to do with the funding mechanism: the earmarked funding for party-to-party support from *Sida* and the strong independence of the foundations. The Swedish foundations originally had a strong focus on Eastern and East-Central Europe, but they are becoming increasingly dispersed (fragmented), with activities now in about 50 countries.



**Swedish foundations**

Olof Palmes Internationella Center	Socialdemokraterna <a href="http://www.palmecenter.org">www.palmecenter.org</a>
Centerpartiets Internationella Stiftelse	Centerpartiet <a href="http://www.cis.centerpartiet.se">www.cis.centerpartiet.se</a>
Vänsterns Internationella Forum	Vänsterpartiet <a href="http://www.vansternsinternationellaforum.se">www.vansternsinternationellaforum.se</a>
Kristdemokratiskt Internationellt Center	Kristdemokraterna <a href="http://www.krdu.se">www.krdu.se</a>
Green Forum Foundation	Miljöpartiet de Gröna <a href="http://mp.se/templates/">http://mp.se/templates/</a>
Jarl Hjalmarsson Stiftelsen	Moderaterna <a href="http://www.hjalmarsonstiftelsen.se">www.hjalmarsonstiftelsen.se</a>
Swedish International Liberal Centre	Folkpartiet <a href="http://www.silc.liberal.se">www.silc.liberal.se</a>

## 4.7 Norway: Centre for Democracy Support

The *Norwegian Centre for Democracy Support* (Norsk Senter for Demokratistøtte, NDS) is the newest party-based organisation in Europe. It was reorganised in 2006 from being an advisory board of the Ministry of Foreign Affairs to become a more independent institute with all parties represented in Parliament as members.

The NDS is fully financed by the *Norwegian Ministry of Foreign Affairs*. The sister-party projects are allocated after application and a quick review by the NDS, and the projects implemented by the “international secretariat” of the party.

The NDS operates in blatant disregard of most of the principles outlined above. It has very few resources for analysing the countries of operation. Although formally an institute, it has a strong bi-party (sister party) approach; the parties select partners according to ideology, and the one and only attempt at inter-party cooperation initiated by the NDS, in Malawi, turned out to be a failure. It does not harmonise its support with the democracy support activities of other organisations, not even the Norwegian organisations NORDEM and NORAD, the *Norwegian Agency for Development Cooperation*. And it has few links with other international and country organisations. One of the few existing guidelines is that projects are restricted to the 25 NORAD partner countries and that election campaign and material support must be avoided.

At best, the NDS may enhance the interest and knowledge of Norwegian political parties about the developing world, and give some party officials first-hand knowledge about the problems. However, with its current approach and minimal funds (around €0.6 million annually) it is not likely to have any impact on the ground.



Norsk Senter for Demokratistøtte  
Norwegian Centre for Democracy Support

### Norwegian Centre for Democracy Support (NDS)

Founded:	2003
Number of staff:	2
Number of field offices	0
Affiliated NO parties	Arbeiderpartiet (DNA), Kristelig Folkeparti (KrF), Sosialistisk Venstreparti (SV), Høyre (H), Senterpartiet (Sp), Venstre (V), Fremskrittspartiet (FrP),
Support given to	Nicaragua, Guatemala/El Salvador, Palestine, Nepal, Kenya, Malawi, Madagascar, Tanzania, Uganda
Party support share	90%
Annual funds	€600,000
Major donor	Norwegian Ministry of Foreign Affairs (only)
Website	<a href="http://www.democracy.no">www.democracy.no</a>

## 5. Towards better party support

Internationally, interest in party support has grown sharply over the last 15 years. From being a playing field exclusively reserved for party foundations, with strong political ideology overtones, support for political parties is increasingly being taken over by governmental development agencies (bilaterals and multilaterals) as well as NGOs, as part of their support for democracy and good governance. Support for political parties is increasing, in line with an increasing understanding that politics matter, and that political parties are fundamental institutions for democratic politics.

Support for political parties is also increasingly integrated as one element of a broader democratisation process, and rightly so. Even the party foundations are now giving more attention to the structural and situational factors, and orienting their support towards democratic reform, elections and party systems.

There is still a long way to go to integrate and harmonise party with democracy support efforts. Still, there is much activity going on in splendid isolation from the broader democratisation agenda as well as from other actors. Much of the “sister party” support, much of the election observation and some of the good governance programmes are detached from any coherent strategy. The various actors’ efforts to raise funding still lead to protection and seclusion rather than non-partisan needs assessments, recipient responsibility and harmonisation.

Another weakness of current party assistance is the meagre capacity and stock of research and analyses of party systems, party regulations, circumstantial factors and political systems. It seems to be taken for granted that party support will be meaningful and constructive, whatever the circumstances. This is not the case: different countries, different regimes and different problems call for a good understanding of the local specifics and for different approaches.

There is also a need for better monitoring, quality control and evaluation of party assistance. This is a severely underdeveloped field. Methodologies should be developed, for instance benchmarks for parties’ financial transparency, membership base, internal democracy and representation of women.

Official donor assistance to political parties seems to be moving away from one-party foundations and their “sister party” approach to the multiparty and democracy assistance approaches of the multiparty institutes. Although the party-based foundations will protect their income, outreach and activities by continuing their party support activities, donor agencies should strengthen their control of the projects of the *foundations* at least to match the monitoring of development projects run by NGOs.

As long as democrats in emerging democracies call for support for their democratising efforts, and as long as we know that political parties are an essential part of a democratic system of good and efficient government, the question is not whether it should be done but *how* party assistance should be undertaken. Analysis, dialogue, partnership, coordination and evaluation are but some essential elements in this.

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## Recommended reading

Austin, Reginald and Maja Tjernström (eds) (2003): *Funding of Political Parties and Election Campaigns*. Stockholm, International IDEA. IDEA Handbook Series. ([www.idea.int/publications/funding\\_parties/index.cfm](http://www.idea.int/publications/funding_parties/index.cfm)).

The role of money in politics is an issue of daily debate in old and new democracies alike. The ways that parties get access to money can influence the outcome of elections, determine the relationship between party leaders and members, affect the number of women elected and condition the level of public trust as a whole. The IDEA Handbook is designed to encourage informed public debate. It looks at the strengths and weaknesses of the different national laws and regulations from a regional perspective. It analyses the problems of enforcement and the opportunities for effective public disclosure of funds.

Burnell, Peter (2004): "Building Better Democracies. Why Political Parties Matter". London, Westminster Foundation for Democracy ([www.wfd.org/upload/docs/WFDBBD5\\_noprice.pdf](http://www.wfd.org/upload/docs/WFDBBD5_noprice.pdf)).

Supporting the development of parties and party systems in new democracies poses a major challenge that should be given high priority. This is increasingly being recognised by many international, multinational and bilateral organisations working in development. Organisations that promote democracy – such as the Westminster Foundation for Democracy – face different options in how to use their experience and expertise to support party-based democracy. Options include direct party-to-party work, multiparty work and promoting a favourable institutional environment within which party activities can flourish. These approaches are not mutually exclusive. Different situations in different countries demand different approaches. The party challenge must be understood within a wider context of civil society organisations, state institutions, pro-poor development strategies and larger global forces. The established democracies cannot be complacent about the standing of party politics at home. Their work with parties in emerging democracies should reflect this, and avoid the suggestion that Western models and systems are perfect. Meeting the party challenge in prospective, new and emerging democracies requires a concerted and sustained commitment from the international community.

Carothers, Thomas (2004): *Political Party Aid*. Paper prepared for the Swedish International Development Agency (available from IDEA; [http://www.idea.int/parties/upload/Political\\_Party\\_Aid\\_by\\_Carothers\\_Oct04.pdf](http://www.idea.int/parties/upload/Political_Party_Aid_by_Carothers_Oct04.pdf))

This is an overview of the problem with political parties, sources of funding and types of aid, challenges for donors and further issues for debate. Especially discussed is the fraternal (party-to-party) method and its possible partisan approach. Much emphasis is put on inter-party dialogue.

Gunther, Richard and Diamond, Larry (2003): "Species of Political Parties: A New Typology". In *Party Politics*, vol. 9, no. 2, pp. 167-199. ([www.polres.gr/download/opk/2006/species%20of%20political%20parties.pdf](http://www.polres.gr/download/opk/2006/species%20of%20political%20parties.pdf)).

While the literature already includes a large number of party typologies, they are increasingly incapable of capturing the great diversity of party types that have emerged worldwide in recent decades, largely because most typologies were based upon West European parties as they existed in the late nineteenth through mid-twentieth centuries. Some new party types have been advanced, but in an ad hoc manner and on the basis of widely varying and often inconsistent criteria. This article is an effort to set many of the commonly used conceptions of parties into a coherent framework, and to delineate new party types whenever the existing models are incapable of capturing important aspects of contemporary parties. It classifies each of 15 'species' of party into its proper 'genus' on the basis of three criteria: (1) the nature of the party's organization (thick/thin, elite-based or mass-based, etc.); (2) the programmatic orientation of the party (ideological, particularistic-clientele-oriented, etc.); and (3) tolerant and pluralistic (or democratic) versus proto-hegemonic (or anti-system). While this typology lacks parsimony, it is believed that it captures more accurately the diversity of the parties as

they exist in the contemporary democratic world, and is more conducive to hypothesis testing and theory-building than others.

International IDEA (2007): Political Parties in Africa: Challenges for Sustained Multiparty

Democracy. Stockholm, International IDEA

([http://www.idea.int/publications/pp\\_africa/index.cfm](http://www.idea.int/publications/pp_africa/index.cfm))

This report provides a broad, comparative analysis of 27 African countries and 75 political parties, with the purpose of stimulating debate on the challenges faced by political parties in Africa. This International IDEA publication is especially aimed at political parties, scholars, policy makers and democracy assistance organizations working for political reform in Africa. The data it contains, assembled during 2004-06, was followed by national and sub-regional dialogue workshops between political parties, researchers and civil society. Legislative regulation of parties, women's participation, funding of political parties, party democracy and party programmes and policies that represent and reflect the preferences of the people are high on the agenda for reform that emanated from the research and dialogue process.

International IDEA (2007): Political Parties in South Asia: The Challenge of Change. Stockholm,

International IDEA ([Political Parties in South Asia: The Challenge of Change](#))

With one-fifth of the global population, South Asia is the largest democratic region in the world today even though military rule and monarchy still exist in certain countries. Political parties have played an active role in decolonization, freedom struggles and social change in the region and have been responsible for marrying democracy with development and social justice. Yet research shows that 40 per cent of the population in South Asia do not trust political parties, while only 11 per cent of those surveyed express 'great trust'. Political Parties in South Asia: The Challenge of Change provides a comparative view of the conditions, roles and functioning of political parties in five countries of the South Asian region – Bangladesh, India, Nepal, Sri Lanka and Pakistan. The publication builds on empirical information collected from 49 parties and addresses the challenges of politics as experienced by the key political actors themselves: the political parties. In addition, it includes practical recommendations for reforms in the party domain. By providing comparative information, this International IDEA publication aims to stimulate debate on the challenges faced by political parties in South Asia. It is especially aimed at political parties, scholars, policy makers and democracy assistance organizations working for political reform in South Asia.

International IDEA (2007): Political Parties in Central and Eastern Europe: In Search of

Consolidation. Stockholm, International IDEA

([http://www.idea.int/publications/pp\\_c\\_and\\_e\\_europe/index.cfm](http://www.idea.int/publications/pp_c_and_e_europe/index.cfm))

After the fall of the Berlin Wall in 1989 political parties in Central and Eastern Europe were perceived negatively by the general public. Indeed, mobilization against them even became a source of legitimacy for new civil movements. In 1990, the Civic Forum, led by Václav Havel, won the first free election in Czechoslovakia using the slogan: 'Parties are for party members, the Civic Forum is for everyone.' In Poland, 27 parties were represented in parliament after the first democratic elections, which provided little hope of producing a stable government. It might be surprising to read that today, most of the countries studied have relatively vibrant party systems. Written by four researchers from the Institute for Comparative Research at Masaryk University in Brno in the Czech Republic, *Political Parties in Central and Eastern Europe: In Search of Consolidation* analyzes the party systems in Central and Eastern Europe, focusing on external regulation, internal functioning, women's participation and the impact of different electoral systems on the development of the party system. This publication detailed information about the state of political parties in this region and includes individual profiles of 18 countries: Albania, Armenia, Bosnia and Herzegovina (BiH), Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia (FYROM), Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. The report describes the current state of party politics. The report identifies some common regional problems as well as issues faced by particular countries. It also recommends reforms.

IMD (2005): "IMD Institutional Development Handbook. A Framework for Democratic Party Building". The Hague, [Institute for Multiparty Democracy](#).

([www.nimd.org/upload/publications/2004/imd\\_institutional\\_development\\_handbook-a4.pdf](http://www.nimd.org/upload/publications/2004/imd_institutional_development_handbook-a4.pdf)).

This handbook is the result of an international workshop on the institutional development of political parties that IMD organised in June 2003. The workshop, attended by academics and practitioners from Africa, Latin America and Asia, investigated the main criteria for improving the performance of political parties. This evolved into tentative guidelines for putting these criteria into practice.

IMD (2005): "Support for Political Parties and Party Systems: the IMD Approach". The Hague, Institute for Multiparty Democracy.

([www.nimd.org/upload/publications/2005/supporting\\_parties\\_the\\_imd\\_approach.pdf](http://www.nimd.org/upload/publications/2005/supporting_parties_the_imd_approach.pdf)).

Political parties are often the missing link in democracy assistance. Yet, they are essential institutions in political society (that set of institutions and procedures that is distinct from the state, civil society or the market). Political parties are the institutions that select leadership, aggregate the interests of citizens in formulating policies and programmes, are instrumental in the organisation of elections, provide the electorate with choices, form governments and hold these accountable through opposition. This paper makes an outline of the IMD approach to support to political parties, and the premises and principles on which the IMD works.

Johnston, Michael (2005): "Political Parties and Democracy in Theoretical and Practical Perspectives: Political Finance Policy, Parties and Democratic Development." Washington DC, National Democratic Institute.

([http://www.accessdemocracy.org/library/1949\\_polpart\\_johnston\\_110105.pdf](http://www.accessdemocracy.org/library/1949_polpart_johnston_110105.pdf)).

This paper does not offer theories on party organisation or instant solutions for addressing the issues explored. Rather, it considers obstacles to, and possible approaches for, creating more effective and inclusive political parties. It flags potential pitfalls and bumps along the way, and illustrates the practical considerations of which parties may need to be aware. It offers an analysis of political finance policy, with a primary focus on societies where democracy is either relatively new or emerging from crisis.

Kumar, Krishna (2004): "International Political Party Assistance. An Overview and Analysis." Clingendael, 2004, Netherlands Institute of International Relations. Conflict Research Unit, Working Paper 33.

([www.clingendael.nl/publications/2004/20041000\\_cru\\_working\\_paper\\_33.pdf](http://www.clingendael.nl/publications/2004/20041000_cru_working_paper_33.pdf)).

This paper highlights a number of critical issues in the relatively new field of international party assistance. Apart from giving an overview of actors and their objectives, it subsequently outlines the main foci of political party assistance programmes and identifies a number of their strengths and weaknesses. The paper concludes by drawing attention to the key problem areas and remaining issues.

Sacchet, T. (2005): "Political parties: when do they work for women? Gender and political parties in Latin America". New York; United Nations (UN) Division for the Advancement of Women (DAW). ([www.un.org/womenwatch/daw/egm/eql-men/docs/EP.10\\_rev.pdf](http://www.un.org/womenwatch/daw/egm/eql-men/docs/EP.10_rev.pdf)).

This paper analyses the interaction of gender issues with political parties in Latin America in order to assess the relationship between them and establish under what circumstances political parties best incorporate gender demands and contribute to mainstreaming the gender perspective. The report concludes that the degree to which political parties promote gender-related policies and incorporate gender perspectives depends on party ideology, the degree to which they are institutionalised, existing political conjunctures, and the specific configurations, level of coordination, and mobilising dynamics of their gender actors.

UNDP (2005a): *A Handbook on Working with Political Parties*. New York, 2005, UNDP *Democratic Governance Group*. ([www.undp.org/governance/docs/policy-pub-polpartieshandbook.pdf](http://www.undp.org/governance/docs/policy-pub-polpartieshandbook.pdf)).

Political parties are a keystone of democratic governance. They provide a structure for political participation; serve as a training ground for political leadership; and transform social interests into

public policy. The question for development practitioners is how best to work with political parties in addressing the challenges they face. UNDP's Democratic Governance Group has created this *Handbook on Working with Political Parties* to help UNDP field offices and partners to address questions regarding assistance to political parties.

UNDP (2005b): UNDP's Engagement with Political Parties. New York, UNDP *Oslo Governance Centre*. ([www.undp.org/governance/docs/Policy-Pub-EngagementPolitical%20Parties.pdf](http://www.undp.org/governance/docs/Policy-Pub-EngagementPolitical%20Parties.pdf)). Intended for UNDP democratic governance practitioners, this report analyses and summarises a mapping of UNDP's engagement with political parties that was conducted in October 2003 and updated in May 2005. The information contained in the mapping is indicative rather than exhaustive and reflects the various ways UNDP Country Offices are currently working and engaging with political parties. The mapping will serve as a key reference for informing the development of UNDP's corporate policies and practices concerning political parties.

USAID (2003): *Money in Politics Handbook: A Guide to Increasing Transparency in Emerging Democracies*. Washington DC, USAID Office of Democracy and Governance. ([www.usaid.gov/our\\_work/democracy\\_and\\_governance/publications/pdfs/pnacr223.pdf](http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacr223.pdf)). This handbook is developed with the support of IFES research and expertise, and it is a primer on the topic of money in politics with special emphasis on the role of disclosure.

Walecki, Marcin (2004): "Political Money and Corruption". Washington DC, *IFES* (IFES White Paper III). ([www.moneyandpolitics.net/researchpubs/pdf/Money\\_Corruption.pdf](http://www.moneyandpolitics.net/researchpubs/pdf/Money_Corruption.pdf)) This paper discusses how political finance is influenced by, and influences relations between, parties, politicians, party memberships and the electorate. It considers how problems of political finance are at the heart of the debate on political corruption and how the meaning of political finance-related corruption is often unclear.

Wersch, Jos van and Jeroen de Zeru (2005): "Mapping European Democracy Assistance. Tracing the Activities and Financial Flows of Political Foundations". Clingendael, November 2005, *Netherlands Institute of International Relations*. Conflict Research Unit, Working Paper 36. ([www.clingendael.nl/publications/2005/20051200\\_cru\\_working\\_paper\\_36.pdf](http://www.clingendael.nl/publications/2005/20051200_cru_working_paper_36.pdf)) This paper provides updated figures and data from 32 European political foundations, covering the years 2003 and 2004. In addition, it includes annexes with relevant information about the 32 foundations, as well as the contact details of the main international organisations involved in democracy assistance.

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## SUMMARY

Political parties are indispensable for the functioning of liberal democracies. However, the political parties of many transitional and developing countries are not functioning well. This fact has led to increasing donor support to political parties. However, due to the political sensitivity of the issue, donors are not supporting political parties directly. There are two indirect methods for party support. One is support for broadening democracy, assuming that this will also strengthen political parties. The other is support to parties via donor country parties and/or party-based organisations. This party-to-party support takes the form either of unilateral support from one party in donor countries to its 'sister parties', or of bilateral support from several parties to several parties. This paper outlines the modalities, principles and practices of donor support to political parties.

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