



European Commission United Nations Development Programme International IDEA

***Joint Training on
Effective Electoral Assistance***

DAY 4

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EC Project Approach, Sector Approach, Budget Support, Basket Funding

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Presentation Overview

EC Delivery Methods and Financing Modalities



Case Study



West bank and Gaza



Indonesia



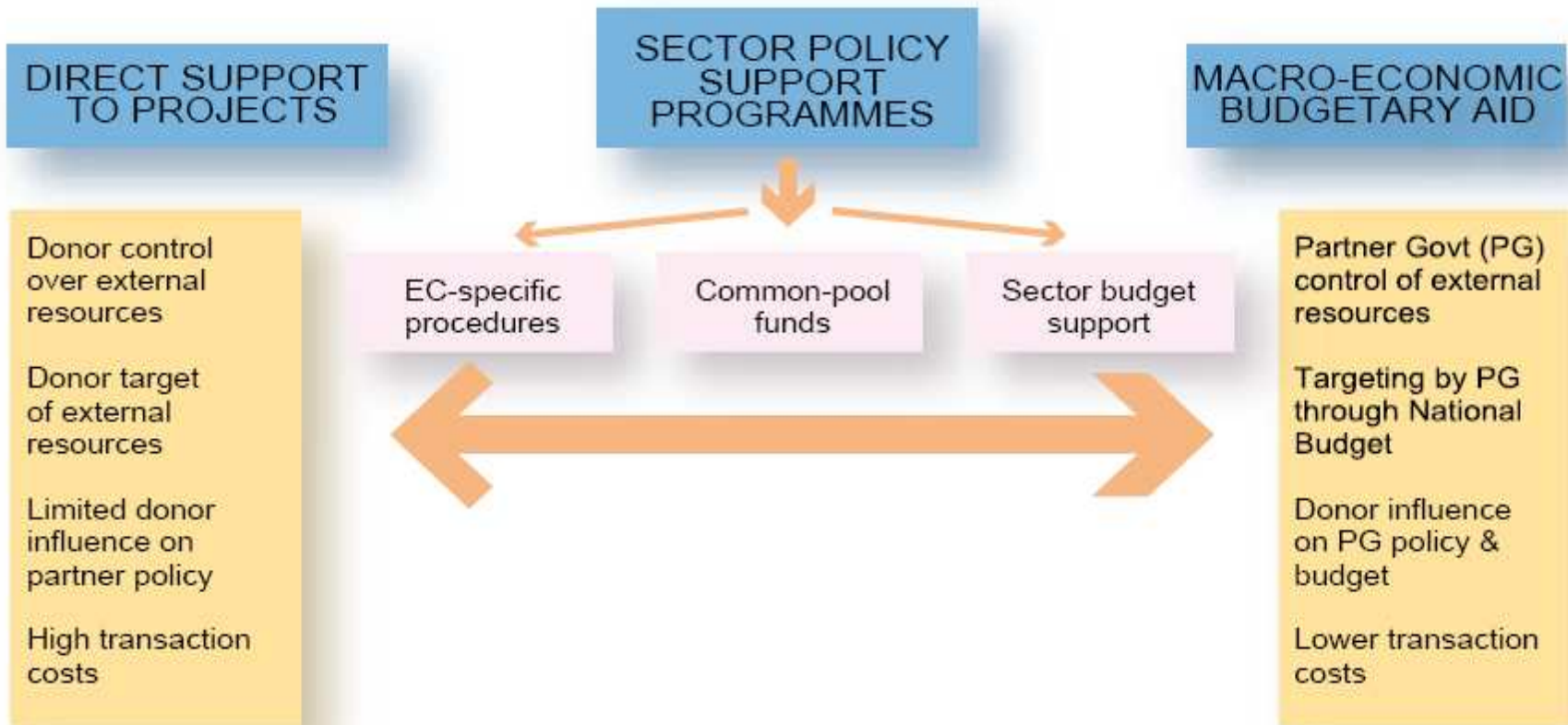
Madagascar



Mozambique



Delivery Methods in EC Electoral Assistance





Sector Approach vs. Project Approach

Sector-wide approach	Conventional project approach
<ul style="list-style-type: none">Country holistic view on entire sector	<ul style="list-style-type: none">Focus on projects to support narrowly defined objectives
<ul style="list-style-type: none">Partnerships with mutual trust and shared accountability	<ul style="list-style-type: none">Recipient accountable to donor
<ul style="list-style-type: none">External partners' co-ordination and collective dialogue	<ul style="list-style-type: none">Bilateral negotiations and agreements
<ul style="list-style-type: none">Increased use of local procedures	<ul style="list-style-type: none">Parallel implementation arrangements
<ul style="list-style-type: none">Long-term capacity/system development in sector	<ul style="list-style-type: none">Short-term disbursement and success of projects
<ul style="list-style-type: none">Process-oriented approach through learning by doing	<ul style="list-style-type: none">Blueprint approach

Source: Adapted from World Bank (2004), "SWAps in Latin America: A World Bank Perspective", PowerPoint presentation, Tegucigalpa, 8-10 November.



Delivery methods and Financing Modality

APPROACH

FINANCING MODALITY

Project Approach

EC contract and finance procedures

Sector Approach

Common Pool funds

Macro/General Approach

Budget support





IMPLEMENTATION VIA COMMON Basket FUNDING

A Pool fund is a fund that receives contributions from different external agencies, and in certain cases from Governments, to finance a set of budget lines or activities agreed as eligible in support to a sector programme.

Pool funds may be distinguished in terms of three criteria:

1. Whether they are managed by government or by donors.
2. Whether the pooled funds finance the whole sector programme or, as is more common, are earmarked to specific items of expenditure, or to specified sets of activities .
3. Whether the accounting and reporting procedures are modelled on government accounting systems, on the accounting systems of a particular donor or international organisation, or custom-designed for the particular sector programme



IMPLEMENTATION VIA EC CONTRACTUAL AND FINANCIAL PROCEDURES

- In cases where it is politically important for the EC to intervene alone and where there is enough time and resources, at all phases of the electoral cycle,



IMPLEMENTATION VIA BUDGET SUPPORT:

Resources transfer to the budget of the beneficiary state

Transfer managed in accordance with that state's budget procedures & line with its policy

Includes active policy dialogue

MAXIMISES OWNERSHIP BUT NOT APPROPRIATE TO HIGH RISK ENVIRONMENT

SUPPORTING A **PRSP** OR EQUIVALENT PROCESS

MACROECONOMIC BUDGET SUPPORT
Supports overall macro-economic & budgetary framework

SECTOR BUDGET SUPPORT
Additional funding to a specific sector, supporting a stated policy & spending framework

SUPPORTING A SECTOR PROGRAMME



Electoral Assistance Scenarios and Context

- **Internationally Run Elections in Post Conflict Countries:** *Afghanistan, East Timor, Iraq, Bosnia*
- **Elections run by local EMB in post conflict scenarios in non financially independent countries:** *DRC, Mauritania, Haiti, Guinea Bissau*
- **Elections run by local EMB in post conflict scenarios in financially independent countries:** *Angola*
- **Elections run by local EMB in 2/3 generations of election scenarios in financially independent countries:** *Indonesia, Nigeria*
- **Elections run by local EMB in 2/3 generations of election scenarios in financially dependent countries:** *Benin, Sierra Leone, Mozambique*



Case Studies Rationale

The four case studies presented have been drafted following the finding of four specific missions carried out in the context of the EC Methodological Guide in four selected partner countries. The countries represents the different delivery methods:

- ☐ **EC contractual and financial procedures targeting an electoral event and the building of an electoral administration,**
- ☐ **A UNDP managed trust fund prioritizing areas of support,**
- ☐ **EC contractual and financial procedures but in a largest context of a Democratization Programme**
- ☐ **An increased of an existing General budget support.**



Case Studies – Funding and Delivery Methods

- ❑ West Bank 2003-2005: 15,3 MEURO to the Ministry of Finance with the Central Election Commission as beneficiary. Standard MEDA procedures used and large long term direct Technical Assistance to the CNE was provided**
- ❑ Indonesia 2004: 7 MEURO in contribution to the UNDP managed trust fund. Prioritization of five areas of support**



Case Studies – Funding and Delivery Methods

- ❑ **Madagascar 2001-2004: 1,9 MEURO, long term Support to Democratization targeting the new Supervisory Election Commission and the Ministry of Interior in charge of the organization of the elections in a capacity development perspective. Fully implement via EC contractual and financial procedures.**
- ❑ **Mozambique 2003-2004: Increase of 16 MEURO of the Macroeconomic Budget support. TA to the EU Troika on monitoring the electoral process. MoU between GoM, EC and UNDP where UNDP provided Technical Assistance to the EMBs.**



Case study West Bank & Gaza Strip

EC support to the electoral process

- Leadership steering political dialogue and coordination (E-RSG)
- Assistance to CEC: institutional strengthening
- Support to electoral operations (presidential & legislative)
- Support to CSOs for local/general elections (via UNDP)

TOTAL = Eur 15.36m

- Observation: 2 EUEOM
- EU bilateral aid and observation



Case study

West Bank & Gaza Strip

Financial assistance to the CEC (total = Eur 13.3m)

- ☐ Early and meticulous project design
- ☐ Related to coordinated policy steering group (ERSG)
- ☐ Disbursements via MoF – joint project coordination with other donors
- ☐ Supported with TA, incl admin/finance/coordination
- ☐ Trigger policy (legal reform)
- ☐ 2 tranches: voters registration; pre/polling
- ☐ Forward looking, flexible but cautious approach: waived trigger for urgency, ex-post/ante audit, additional contributions (1.4m + 1.9m)



Case study - West Bank & Gaza Strip

Technical Assistance:

- ☐ **5 experts: senior policy/legal, operations, admin/finance, logistics, procurement.**
- ☐ **Arrived March 2004 – early enough**
- ☐ **Bureaucracy: 5 contracts with 3 contractors – Eur 1.76m**

Civil Society Organisations (CSOs) – via UNDP:

- ☐ **Alternative to direct support to HCLE (local) – Eur 300k**
- ☐ **Info/awareness raising, gender, training, legal professionals (training judges and lawyers on electoral complaints and procedures)**

E-RSG (EU/EC + US):

- ☐ **Task Force on Palestinian Reform – TFPR, 7 RSGs, linked to Quartet**
- ☐ **Crucial to steer preparatory work and put coordinated political pressure (decree establishing CEC + registration + legal reform)**

EUEOMs:

- ☐ **Presidential + PLC: large core team + 250 obs.**



Case study - West Bank & Gaza Strip

Concluding comments

- ❑ Crucial role of EC : enabled the CEC to put in place essential elements for the conduct of credible and genuine elections at short notice
- ❑ Assistance and EUEOM proved complementary
- ❑ Active donor policy dialogue / aid coordination
- ❑ CEC capacity allowed for peaceful major political transition in most unstable context
- ❑ Future: Ensure CEC permanence (institution building and political tool)
- ❑ Question: “Support to the EMB proved the best vehicle to promote sustainability and good governance” ?! International Community's interest in the electoral process versus political results, in such a highly political environment with strong IC involvement



Indonesia: Prioritizing Areas of Support via Pool Funding



- ☐ **Electoral Support** envisaged as a Strategy in the aftermath of the Presidential Elections crisis of 2001
- ☐ **First experimental form of continuous support to the electoral institutions**
- ☐ **Long-term assistance** identified by an expert team during the short-term electoral support of for the Legislative Elections of 2002



Indonesia: Prioritizing Areas of Support via Pool Funding



- ❑ Landmark elections to consolidate democratic transition after constitutional reform and significant changes in the electoral system
- ❑ Priorities for democratic development identified in the EC Country Strategy Paper 2001/2006
- ❑ Deployment of external experts in a Identification & Formulation Mission based on 1999 EU EOM recommendations
- ❑ Targeted Electoral TA to EMBs and CSOs



Indonesia: Identifying and Channeling the EC priorities



- ☐ **UNPD indicated flexibility to accommodate EC specific needs. Without that the UNPD the EC could not have intervened so late in the process**
- ☐ **Joint definition of activities to be funded in in Five areas identified:**
 - ☐ **capacity building and training of poll workers,**
 - ☐ **voter and civic education,**
 - ☐ **legal assistance to the election supervisory body,**
 - ☐ **support of domestic monitoring organizations and**
 - ☐ **Evaluation of the EC component in the project**



Indonesia: Peculiarities of the “Election Support Program”



- ❑ **UNDP pre-financed activities to facilitate EC intervention.**
- ❑ **The retroactivity clause was applied**
- ❑ **Extra coordination efforts given that the EC had pre-selected the beneficiaries of the CSO support**



Indonesia: Conclusions



- ❑ **Sound approach in identifying the priorities and formulating the project.**
- ❑ **Earlier deployment of formulation and identification mission would have been desirable, possibly a joint EC UNDP one.**
- ❑ **TA to KPU to was crucial to ensure the implementation of activities where less attention was paid by the EMB**
- ❑ **Pre-selection of EC beneficiaries in the CSOs was counterproductive**
- ❑ **The selection of CSOs should be made on a complete bid even though the political considerations that led select the VICI consortium were understood.**



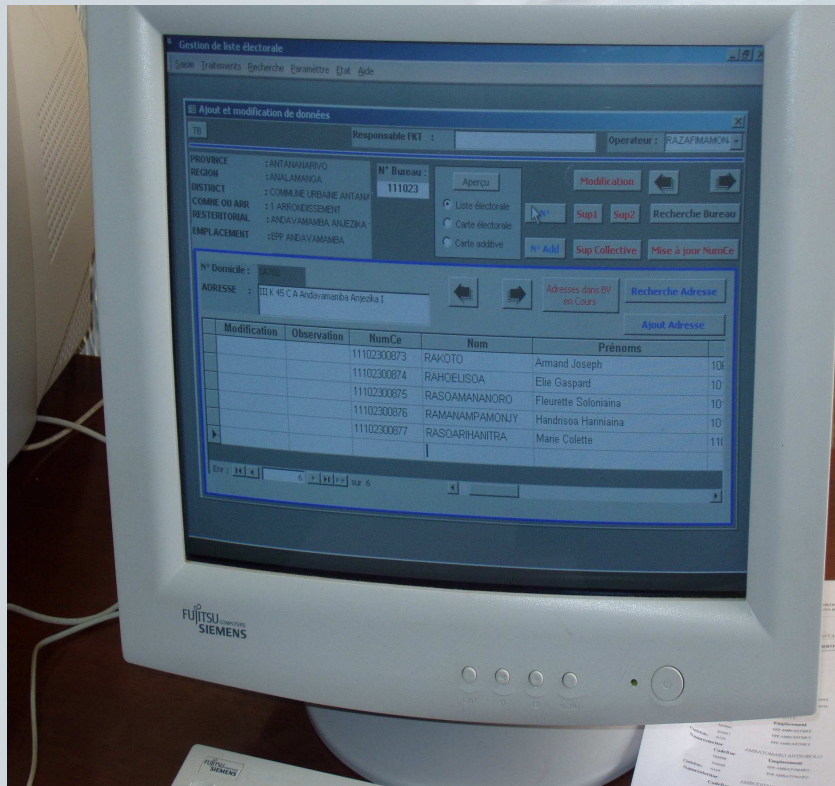
Madagascar: Inaugurating Cyclical Electoral Assistance



- ❑ **Electoral Support envisaged as a Strategy in the aftermath of the Presidential Elections crisis of 2001**
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Developing the notion of Cyclical Assistance



- ❑ The EC sponsored a post-election seminar organized immediately after the 2002 Legislative Elections
- ❑ Seminar served as springboard to formulate the new cycle of assistance, also on the basis of the recommendation of the EU EOM
- ❑ Two sets of two year assistance programs to arrive to the 2006 Elections



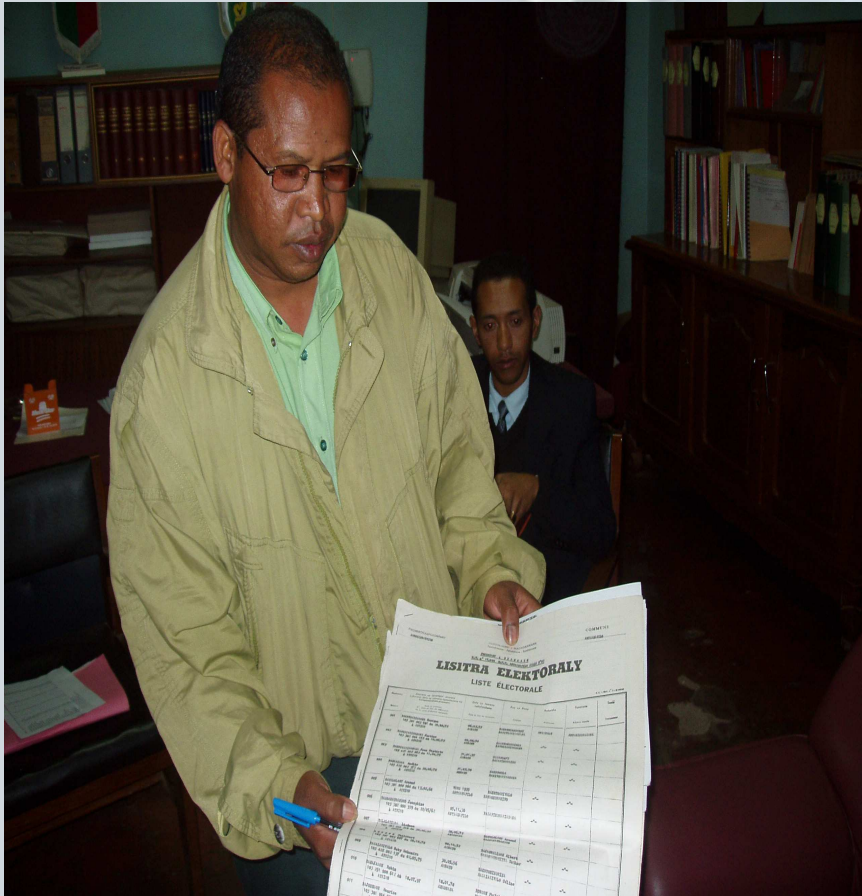
Madagascar: The first two year program



- ☐ Support to the MIRA for the distribution of ID cards and voters cards
- ☐ Empowerment of the domestic EMB, training of national staff and establishment of national Secretariat
- ☐ Production of results sheets for the 2003 Communal Elections



Madagascar: the second two year program



- ☐ Continued support to the EMB institutional strengthening
- ☐ Support to in-house development of a digital voter register database
- ☐ Support to CSOs for domestic monitoring



Conclusions

- ☐ **Linking various types of electoral projects as parallel facets of democratic development**
- ☐ **Direct connection of the assistance program with the governance development objectives set forth in Cotonou**
- ☐ **Early intervention allowed the EU to choose strategic objectives**
- ☐ **Evolution of the local EC from a supervisory body into a fully fledged EMB. Move from the governmental model to the mixed EMB model**



Mozambique: Experimenting Budget Support in Electoral Assistance

- ☐ **EC Support provided in 1994, 1998-1999 both via UNDP Trust Fund and with a project implemented via EC contractual and financial procedures**
- ☐ **Country Strategy Paper Mozambique 2001-2005 did not include electoral assistance**
- ☐ **Late Request of NAO and EMBs**
- ☐ **Budget Support chosen as the only expeditious way to provide electoral assistance**



EC Involvement in 2003-2004 process

- ☐ **MoU signed between UNDP (representing a group of donors), EC and the Government of Mozambique**
- ☐ **Action Plan indicating activities, cost estimates, sources of verification, Donor Working Group, implementation report, budget expenditure and evaluation mechanisms**
- ☐ **Cost of Elections 21 MEURO, EC contribution 16,4 MEURO**



Evaluating Budget Support

- ☐ **Political Capital to be spent on the present ongoing electoral reform discussion**
- ☐ **Linkages with EUEOM**
- ☐ **Country more accountable to Donors, to its own parliament for its entire budget**
- ☐ **Less intrusive and Government performance judges on the overall objectives**
- ☐ **It served well the purpose in Mozambique**
- ☐ **For the upcoming Provincial Elections in 2007, Municipal in 2008 and Legislative/Presidential Elections in 2009 other forms of assistance are being considered**
- ☐ **Targeted Budget Support?**
- ☐ **Synergies between Civil and Voter Registration**
- ☐ **EU Advisor responsible to the Troika**