

Political Parties: Pillars of Democracy

Multi-annual plan 2007-2010
Netherlands Institute for Multiparty Democracy

Preface

If political parties are the pillars of multiparty democracy, then these political parties have a great responsibility in ensuring that the foundations of the political system are strong. This means that the political system functions in such a way that people find themselves sufficiently represented by the system and that they are able to effect peaceful changes in the system by means of elections.

Why are political parties important for the stability and dynamics of a democratic political system? In any democracy, political parties are expected to act as negotiators in debates and discussions about policy options and changes. They are needed to establish a consensus among diverse interests and to create coalitions necessary to govern or to form an opposition. They are also essential in selecting politicians and in accounting for policies implemented or still to be enacted. Institutionalized political parties are, as it were, the breeding grounds of the political system.

The non-functioning or absence of political parties is directly connected to instability in the political system. In some countries, a party's office is merely a party leader who controls the means to reinforce his power at election times. These are party leaders without a party organization. There are currently many countries where political parties cannot rely on enough voter confidence. This does not help to contribute to the climate of trust that is needed for social and economic developments and for realising the internationally accepted objectives of alleviating poverty.

Politics has to be about something. In many countries, politics is concerned only with seizing or maintaining power at elections. As a result, democracy is reduced to being able to vote once every few years for leaders who were are not always democratically chosen in the first place. There is insufficient interest in and debate about the choices and policy options that are available for tackling the large issues, such as poverty, forms of government and the relation between the state and society.

In addition to this, many countries are still in the process of nation-building, a process that is essential to promoting internal cohesion; at the same time, their connection with the global economy presents them with the sometimes contradictory challenge of creating external cohesion. Politicians bear the tremendous responsibilities and challenges involved in channelling both processes and in meeting the voters' wishes to improve the standard of living.

NIMD fulfils the special role of giving content to the primacy of politics in young democracies. Innovative and professional support is offered to the core institutions of democratic political systems, namely, the political parties. As the importance of this support receives increasingly more international recognition, the request for NIMD activities continues to expand. This new multi-annual programme offers an answer to this request and continues to build upon the positive results of the external evaluation of the first multi-annual programme.

Prof. J.A. van Kemenade
Chairman IMD

Summary

‘Supporting processes of democracy in young democracies by strengthening political parties and political groups as bearers of a democracy. This to ensure the creation of a well-functioning, sustainable, pluralist system of political parties.’

This mandate was the guiding principle of the first NIMD multi-annual programme 2003-2006, *Without democracy nobody fares well*, and this remains true of the multi-annual programme 2007-2010, *Political Parties: Pillars of Democracy*

As in the previous years, NIMD’s strength in carrying out its given mandate lies in its specific and unique focus on the three closely interwoven **main objectives**:

1. improving the functioning of the multiparty political systems,
2. assisting the institutional development of political parties,
3. improving the relationship between political parties and civil society organizations.

NIMD currently maintains partner relationships with more than 152 political parties and 9 multiparty institutes in 15 programme countries. In implementing the NIMD programme, **seven instruments of intervention** are used; their applications are monitored by means of a number of parameters. These instruments have been consciously developed – or, to be more accurate, are presently being developed - within the framework of the programme. Making use of the lessons learned, this development will continue in the future. The seven instruments are:

1. partnership, ownership and inclusivity
2. dialogue
3. peer pressure
4. performance-based financial support
5. meetings with politicians
6. training programmes
7. promoting democracy assistance

In 2005 the NIMD programme was thoroughly examined and evaluated by an external bureau, ECDPM from Maastricht. The evaluation was positive about the results achieved and it emphasized the innovative character of the NIMD programme. Using an analysis of the findings and results, the evaluation team proposed a number of strategic and institutional points of departure, which NIMD has incorporated into this multi-annual programme as the **five spearheads** for 2007-2010. The organization will invest in becoming more professional, particularly in the following areas:

1. expanding NIMD’s network of knowledge;
2. including all population groups;
3. establishing strategic partnerships with international organizations;
4. ensuring the sustainability of the programmes;
5. increasing public support and socialization.

During the first four years, NIMD spent almost € 31 million; its level of spending in 2006 was € 9.5 million. The years 2006 and 2007 have been designated as years of consolidation intended to further professionalize the organization and to optimise the organization’s capacity as a knowledge centre. From 2008 up through 2010, there will be room for additional activities. If no further changes are made, € 41.3 million will be needed for the period 2007-2010. To implement the recommendations made in the evaluation (€ 2.7 million) and to meet the increasing demands for NIMD support, it is

expected that the budget up through 2010 will be slightly more than in the period 2003-2006. The total amount of this **request for subsidy is thus € 50 million.**

Table of Contents

Preface	2
Summary	3
Introduction.....	6
1.3 NIMD’s approach	10
1.4 Statistics and basic structure 2006.....	12
1.5 Findings of the evaluation programme 2003-2006.....	13
2. International context and market analysis	15
3 NIMD programme 2007 - 2010.....	18
3.1 Aims and spearheads.....	18
3.2 Programme objectives.....	19
3.3 Programme implementation: instruments of intervention.....	22
3.4 Steps in implementation	26
3.5 NIMD programmes	27
3.6 Choice of country	29
3.7 Expected growth of the NIMD programme	32
3.8 Special spearheads in the programme’s implementation	33
4 Network of Knowledge	36
4.1 IMD: a teaching organization	36
4.2 Objectives of the knowledge centre.....	36
4.3 Architecture of the network of knowledge and the knowledge centre	37
4.4 Monitoring implementation, objectives and results	38
4.5 Evaluation policy	39
5 Public support and socialization.....	40
5.1 Relations with political parties in the Netherlands	40
5.2 Working with civil society organizations in the Netherlands.....	40
5.3 NIMD in international networks	40
5.4 NIMD’s communication policy	41
6 NIMD’s organization.....	44
6.1 Organizational structure 2007-2010.....	44
6.2 Budget	52
6.3 Budgeting the involvement and contributions of political parties	55
Annex I: The Hague Statement	59
Annex II: Partnership Charter	65
Annex III: Programme fact sheets.....	68
Annex IV: Objectives and programme countries and regions.....	68

Introduction

The aim of the multi-annual programme

NIMD's multi-annual programme is aimed at further expanding the institute's knowledge and strengthening the means of making this knowledge available to serve the development of democracy in more countries that request this assistance.

'Democracy is a prerequisite for combating poverty,' said Minister Van Ardenne in a speech delivered at the Netherlands Institute for International Relations Clingendael in October 2005. This observation is beginning to gain increased recognition and is an important shift in how we think about development. Countries that democratise score considerably better on a number of important indicators on the Human Development Index. Someone from Ghana, for example, lives an average of ten years longer than does someone from Guinea. More than twice as many children in countries undergoing democratization attend secondary school as compared to their counterparts in countries with an authoritarian government. Child mortality under the age of five, an important indicator of development, has been reduced by 50% in countries undergoing democratization, and of the 49 countries that were torn by civil wars in the nineties, 41 were governed by dictatorial regimes. In the future, supporting democracy and combating poverty must go hand in hand.

Compared to other countries in the EU, the Netherlands devotes a great amount of attention to supporting democracy. But, in comparison to other areas of interest, the amount of money spent on this support is only 4% (€ 127 million) of the € 3.4 billion budgeted for foreign assistance in 2005 and is not at all in proportion to the importance that the Minister of Overseas Development attached to democratization in his speech cited above. The NIMD programme aims to contribute to carrying out the policy priorities of the Ministry of Foreign Affairs.

In 2005 the NIMD programme was thoroughly examined and evaluated by an external bureau, ECDPM from Maastricht. The evaluation was positive about the results achieved and it emphasized the innovative character of the NIMD programme. On the basis of these positive findings and considering the increasing demand for NIMD support, the Board of NIMD hopes to consolidate NIMD's contribution to these policy priorities in 2006-2007 and, as of 2008, to set an even more ambitious course.

After a short introduction to the existing situation, this multi-annual programme will give an overview of the international context before presenting an extensive report on the NIMD programme for 2006-2010, the expansion of NIMD's network of knowledge and the increase in and socialization of public support. The last chapter is concerned with the development of the organization and the budget. The objective for the multi-annual programme is specifically formulated in each chapter.

1 NIMD in the year 2006

1.1 Beginnings

NIMD was established in 2000 by eight political parties in the Netherlands: CDA, PvdA, VVD, D66, GroenLinks, GPV and SGP. Since the parties GPV and RPV merged shortly thereafter to form the Christen Unie, there are now seven political parties involved in IMD. Other parties that are represented in the Lower House are also welcome to join, but they failed to show interest when invited to do so in 2002 and 2003.

NIMD was the result of the successful cooperative efforts between Dutch political parties and the political parties in South Africa that were established after the formal termination of apartheid in 1994. The aim of this collaboration was to support the development of South African political parties in the newly democratic South Africa. An evaluation of this programme formed an incentive to make this sort of support available to political parties in other young democracies. Given the estimated growth in the number of countries and programmes, NIMD was founded in order to ensure that this support would be both professional and focused.

NIMD was established in The Hague as a non-profit institution. Its organizational model is a combination of a professional staff and representatives of the participating political parties. This model was chosen in order to strengthen the institute's ties with the political parties and to ensure access to the parties' expertise in response to questions arising in the programmes. In 2002, NIMD began programmes in Africa, Asia and Latin America. At the moment, there are fifteen programme countries and three regional programmes. Since the request from new countries for NIMD support is currently greater than NIMD's capacity to work with them, the institute uses a thorough and well-considered procedure to select new programme countries.

1.2 Mission and objectives

NIMD's mandate was formulated in its statutes as follows:

Supporting the process of democratization in young democracies by strengthening political parties and political groups as bearers of democracy in order to create a well-functioning, sustainable pluralist political party system

NIMD's strength lies in carrying out this mandate in the specific and unique focus on three closely interwoven **main objectives**:

1. improving the functioning of multiparty political systems;
2. assisting the institutional development of political parties;
3. improving the relationship between political parties and civil society organizations.

Within each of these three main objectives are four substantive objectives whose realization is monitored by concrete parameters.

- 1) **Decreasing polarization and increasing social and political cohesion**
 - Institutionalizing the cooperation between political parties at the national and local levels;
 - Increasing the responsibility of political parties for the political and social stabilization in the country and region.
- 2) **Decreasing political fragmentation and increasing continuity in the political system**

- Reducing the number of political parties in countries with a proliferation of parties or increasing the number of political parties in countries with a dominant governing party;
- Reducing the dissolution of political parties and changing of party allegiance by party representatives.

3) **Supporting the political parties' institutionalization, policy development and ability to resolve problems**

- Developing and implementing a Code of Conduct to regulate inter-party relationships, not only during elections but also in the interim;
- Implementing strategic plans to institutionalize political parties and to consolidate the political system;
- Developing and implementing party programmes;
- Focusing more attention on policy discussions and coalition-forming.

4) **Expanding the participation of women, youth and marginal groups in the political process**

- Devoting specific attention to a better gender balance in functions within political parties and in politics in general;
- Increasing the participation of young people in politics and in political parties;
- Increasing the participation of marginal and vulnerable groups in the political process.

Underlying Principles and Preconditions

IMD programmes facilitate **'home-grown'** reform agendas that are the result of either inter-party or individual party's strategic planning focus. These reflect the need for full ownership of the process by the political stakeholders. **Ownership** leads to **empowerment**, the single most important explanation for the positive results of IMDs programme.

As an institute of political parties, IMD in principle works together with all legally registered political parties and political groupings in partner countries. IMD favours systems of multiparty democracy but is impartial in supporting political parties. '(...) political parties and groups will be supported if they fulfil a number of conditions specifically laid down for the country in question.'

If the implementation of current programs will function well, it will be considered to add a new country each year, starting in 2005. There are three criteria for choosing countries:

1. They are MICs or LICs.
2. Existing development relations with the Netherlands
3. Perspectives for further deepening the initiated democratisation process.

IMD objectives

'The objects of the Foundation are: to **support the democratization process** in young democracies by strengthening political parties / political groupings as the backbone of a democracy, so as to ensure the establishment of an effective, sustainable, pluralistic and multi-party political system.'

programma doelstellingen

local institutions supporting multiparty democracy

1. Improvement of the functioning of multiparty political systems
2. Institutional development of political parties
3. Strengthening of relation between political parties and civil society

IMD Interventions

- 1 partnership and ownership
- 2 dialog
- 3 peer pressure
- 4 performance based financing
- 5 uitwisseling politici
- 6 training
- 7 democratie interventie

Fields of Interventions (result areas)

Interventions should:

- **reduce** polarisation, increase social and political cohesion;
- **reduce** fragmentation, and increase stability and predictability in the political system
- **enhance** institutionalisation, peaceful conflict resolution, policy development.

Institutional development and capacity building of political parties

Intermediate impact

Facilitation of democratic transition processes

More democratic **societies**

By focusing on political parties, IMD provides a **missing link** in democracy assistance. Interventions complement other interventions towards democratic assistance

Global impact

Sustainable **poverty reduction**

Democracy is positively correlated to **development and security** (conflict prevention)

Schematische weergave IMD -programma's

1.3 NIMD's approach

NIMD's approach

NIMD invites politicians in young democracies to analyse the problems in their political systems (from the perspective of the functioning of a multiparty democracy) and to consult with one another about ways of resolving these problems. This same holds true for the political parties. Each party is asked how it can develop into a well-functioning institution that can respond to the needs of the people not only during elections but also in the periods between elections. The resulting agendas of reform constitute the basis for NIMD's bilateral support.

NIMD recognizes that political parties should play an important role in solving the problems involved in how political systems function. For this reason, NIMD invites politicians in young democracies to analyse the problems in their political systems (from the perspective of the functioning of a multiparty democracy) and to consult with one another about ways of resolving these problems. They are also asked to reflect on how political parties can develop into well-functioning institutions that form a link between the parties and the people both during elections and in the interim. This invitation is directed to all political parties because the functioning of the political system is a shared responsibility and the political foundation of society. The NIMD programme consists of a combination of support for mutual agendas of reform and the reform agendas of the individual political parties.

The ways in which this support is given is agreed on in discussions with all political parties in order to ensure complete transparency in these politically sensitive collaborative efforts. An important development in this regard is the institutionalization of cooperative efforts among the political parties in multiparty institutions inspired on the NIMD model. This forms an important thrust in creating sustainable collaboration among political parties in developing political systems.

To carry out its mandate, NIMD has developed seven intervention instruments or methods that are consistent with the main objectives of the programme:

1. partnership, ownership and inclusivity,
2. dialogue,
3. peer pressure,
4. performance-based financial support,
5. meetings with politicians,
6. training programmes,
7. promoting support for democracy assistance

These instruments will be further elaborated in chapter six.

Dialogue

Dialogue is central to NIMD's approach, enriching the grounds for a more democratic culture among the various political parties. By debating with one another in searching for mutual solutions, the parties' mutual trust (social capital) grows and, consequently, the will to implement actual changes. This process determines the quality of the final product. The fact that NIMD was created by a number of Dutch political parties gives NIMD a special legitimacy in encouraging dialogue among politicians who are not used to sitting together at the same table. As a politician from Ghana once remarked, 'In this cooperative approach, we have learned to disagree without becoming disagreeable'.

Inclusivity

Inclusivity is another key concept in the NIMD programme, a concept that extends to the participation of both governing parties and the opposition, to both large parties and small ones. This approach is a direct reflection of NIMD's own pluralistic nature. Inclusivity is especially aimed at increasing the

participation of women, young people and marginal population groups in the political process and in NIMD programmes.

In the short time (since 2001) that NIMD has been active in a number of young democracies, its approach has led to an institutionalisation (and thus sustainability) of the dialogue and the cooperation among the political parties in these countries that is embodied in institutes for multiparty democracy. These institutes not only work as catalysts of dialogue and processes of reform, but they also create the conditions to generate peer pressure among the parties to help them to effect their institutional development. This peer pressure is also evident in the regional cooperation among political parties that is being developed with NIMD's support.

Parties and civil society organizations

NIMD is fully aware that changes will not occur without the support of civil society organizations, industry, media and the international donor community. Therefore, in addition to its primary tasks of developing multiparty political systems and enhancing the institutional development of political parties, NIMD wishes to invite its partners to devote attention in this coming planning period to improving the relationships between the parties and civil society, the media, industry and the international community of donors. The first steps in this direction have already been taken in a number of programmes. In many young democracies, political parties and civil society organizations (especially the NGOs) act as one another's competitors. For democracy to evolve, it is important to build bridges between civil society and political parties and between the parties and the media.

Strategic partnerships

The multiparty institutes of the political parties that have been established in NIMD programme countries offer the opportunity for dialogue with and support from partners in the international donor community. The agendas developed together by the political parties in these institutes, such as the *Democratic Consolidation Strategy Paper (DCSP)* in Ghana or the *Shared National Agenda* in Guatemala, are locally developed instruments that can serve to harmonize international donor support. NIMD expects that these institutes will help to overcome the resistance felt by the international donor community towards working with political parties.

The NIMD programme is explicitly aimed at political parties' developing national agendas of reform in young democracies. Consequently, NIMD is looking for strategic partners in the international donor community who can support this process or who are willing to contribute to implementing the proposals for reform. To this end, NIMD has profiled itself both in Europe and abroad in order to draw attention to the need and the possibilities of supporting the development of democracy, especially political society. The agenda was drawn up during the European conference in the Peace Palace in July 2004 and resulted in the *The Hague Statement* (see Annex I)

A number of strategic partnerships were developed in the past period with organizations such as the UNDP, OAS, ODIHR/OSCE and with sister organizations within the European network of political institutes. In additions, the relationships with various EU institutes have developed further, and NIMD hopes to establish a strategic partnership with the African Union (AU). Good agreements were made with the Dutch institutes of political parties involved in implementing the Matra programme about coordinating activities in OSCE countries in which both programmes are being carried out.

Support from and the relationship with the Dutch government

NIMD is based on the cooperative efforts of political parties in the Netherlands whose expertise is used to form relationships with political parties in the programme countries and to deal with specific themes that the partners in the programme countries have on their agendas. These relationships with the Dutch political parties are also useful ways of informing the parties about important developments in the NIMD programme. Political youth organizations have also expressed a great deal of interest in

NIMD in the past year. All of these developments will help to increase support within the political parties for NIMD's mandate and activities.

As opposed to the Ministry of Foreign Affairs, NIMD is able to enter into cooperative relationships with political parties. In their annual policy dialogue, the Ministry and NIMD coordinate their policy priorities in countries and regions where NIMD is active. A major element in these meetings is the programme evaluations per country that an external evaluation team annually carries out for NIMD in two of its programme countries. The NIMD institutional evaluation, carried out once every four years, is also discussed during these policy dialogues. NIMD's partner in these dialogues is the Human Rights and Peacebuilding Department (DMV). In discussions about the evaluations of NIMD programme countries, NIMD's speaks with the various country desks at the ministry involved in the policy dialogue.

1.4 Statistics and basic structure 2006

Statistics

NIMD maintains partner relationships with more than 152 political parties and 9 multiparty institutes in 165 countries. In the period 2002-2006, NIMD spent € 31 million and expects to spend € 9.5 million in 2006.

NIMD maintains partner relationships with more than 152 political parties and 9 multiparty institutes or intermediary partners in 16 countries. NIMD's Board has taken two new countries into consideration: Afghanistan (a preliminary study is being carried out by NDI) and, Burundi and Ecuador. It is expected that further decisions about these countries will be reached in the course of 2006.

In 2004 NIMD began a multilateral programme (IMD-MP) on an experimental basis that focuses on working together with large multilateral and international donors. These programmes are carried out under mutual responsibility, with NIMD providing direction with respect to the content of the programmes. The programme in Georgia is being implemented together with OSCE/ODIHR and the programme in Nicaragua with UNDP and a number of bilateral donors. If the programmes in Ecuador and Burundi are approved, they will be carried out in a multilateral approach to development cooperation. This form of cooperation was valued highly in the external evaluation of NIMD and will become a permanent part of the NIMD programme in the new multi-annual programme.

The countries in the NIMD programme are selected on the basis of the following criteria:

- The country is listed on the 'DAC List of recipients of Official Development Assistance. (ODA)';
- The political parties and groups in the country in question have a definite interest in working together with IMD;
- NIMD's approach contributes additional value to the process of democratisation in the country in question;
- The choice is not in conflict with Dutch foreign policy.

The decision of the IMB board with regard to the choice of countries is based on the reports of identification missions and any other preliminary missions as well as a study of the country that includes an analysis of the political system, the political parties, the most important challenges to the process of democratisation, obstacles to further democratisation, the role of the international community and a review of the most important actors in democratisation. The board has a decisive voice in the final decision - and in the processes leading up to this decision - about a new country. All decisions are recorded in reports.

1.5 Findings of the evaluation programme 2003-2006

Because the area in which NIMD works is a new one, the institute has from the beginning placed the emphasis on learning and has introduced a transparent organizational culture. Two programmes are evaluated by an external bureau each year; the reports drawn up by these teams of external evaluators have all been made public and the results of the evaluations have been incorporated into this present multi-annual programme. The NIMD programme was extensively audited and evaluated in 2005 by the European Centre for Development Policy Management (ECDPM) from Maastricht. The evaluators were very positive about results and emphasized the innovative character of the NIMD programme.

In its conclusion, the ECDPM evaluation stated that NIMD's additional value lies especially in the joint efforts of Dutch political parties to support both the institutional development of political parties and the evolution of the multiparty political systems and pluralistic policy dialogues. This approach has often resulted in cooperation and trust among political parties in NIMD programme countries, a prerequisite for peaceful political reform.

The evaluation also concluded that, in a relatively short time, NIMD has shown itself to be a serious player in the field of democracy support and that, based on the concrete results of the first period of its existence, NIMD has proved the efficacy of the approach it has chosen.

The **results**, both institutional and programmatic, include such accomplishments as:

- decreased distrust among members of the political elite;
- decreased polarization among political parties;
- institutional processes of national dialogue;
- peaceful attempts to agree on necessary political reforms;
- the promotion of marginal groups in society in national and decentralized political processes;
- achieving a strategic position within the international community in the area of democracy support;
- a substantial contribution to the building blocks needed for a European policy.

The evaluation emphasizes, however, that these successes are related especially to improving and institutionalizing national processes of dialogue. Building on this success, the focus of the next four years will be on integrating short-term results into a long-term strategy for all programme countries and regions, this arising from NIMD's functional cooperation with international and national partners based on complementarities and strategic partnerships.

Institutional evaluation

The institutional evaluation praised the uniqueness of NIMD's approach to democracy assistance and stated that it was well on its way to becoming a formula for success. The combination of professional knowledge, a clear conceptual framework, innovative strategies, flexible methods of financing the programmes and a strong institutional basis form the basis for gaining a comparative advantage over other players in the field of democracy assistance support.

Working from this position, NIMD has succeeded in implementing national dialogues and processes of change in a number of countries. The evaluation emphasized the fact that, in this pioneer phase, NIMD has made room for country-specific approaches based on a combination of political intuition, experimenting, and institutional change, and that the institute did not shrink away from taking the necessary (well-considered) risks. To give the often still fragile processes of reform the best chances of succeeding, NIMD's focus in this next period will be on consolidating and integrating these processes into a long-term strategy.

Using a solid and systematic analysis of the results achieved and consolidating its basis of knowledge, NIMD will broaden and deepen the (often short-term) results that were achieved in the first period. In this, it is important that NIMD adheres to its mandate and makes a reasonably strict use of its

intervention strategy so that the ownership of NIMD's primary target group is not damaged and that the best use can be made of NIMD's specific additional value.

NIMD must also not be afraid to play its role in the partnerships and to work together actively yet in a politically neutral way with local partners. How this could be achieved in practice is illustrated by the following quotation from one of the country reports: 'to push without being pushy; to facilitate without being soft and to inspire without imposing ideas'.

One of the prerequisites for a successful deepening of its activities in the coming period is NIMD's transformation into a teaching institute. In addition to investing in the knowledge centre so that country and regional programmes can be further strengthened by solid baseline surveys, political and risk analyses, coherent investment strategies and exit strategies, this also demands an expansion of the capacity to effectively implement, monitor and evaluate programmes.

The evaluation further emphasized that the successes achieved in the first period will be sustainable only if NIMD optimally invests in a systematic and effective mainstreaming of its approach to its network and its partnerships. As a final lesson, the evaluation points to the need for NIMD to invest in an internal symbiosis of the institute's three identities (political, developmental and institutional development capacities) that typify the unique character of the organization. In concluding, the institutional evaluation by ECDPM listed the following nine lessons:

Lessons learned:

1. *The NIMD approach to democracy assistance is innovative and can become a 'bestseller';*
2. *The pioneering phase has been effective;*
3. *The time is now ripe for focus and consolidation;*
4. *Look critically at what works and what does not;*
5. *Stick to your approach, primary target group and core competencies;*
6. *Be pro-active yet remain ideologically neutral;*
7. *Intensify NIMD initiatives to become a teaching organization;*
8. *Mainstream networking and strategic partnerships;*
9. *Consolidate the use and impacts of NIMD's unique selling point.*

An elaboration on the nine 'Lessons Learned' can be found in the evaluation report 'Institutional Evaluation Report', ECDPM, December 2005, pp 31-34.

2. International context and market analysis

It is increasingly recognized that many low-income countries have very weak political systems that enjoy little or no support from their inhabitants. Strengthening and stabilizing these political systems (multiparty democracy) is essential to combating poverty and to preventing the outbreak of violent conflicts, especially if the Millennium Development Goals are to be realized. The G8's decision to double development assistance to Africa by 2010 increases the pressure on the recipient countries to expand the legitimacy and efficacy of their governments so that this assistance can effectively contribute to reducing poverty. Supporting this democratisation process thus becomes a more central point on the agenda. In the African context, democracy support is often expressed in terms of 'good administration' and the government is the most important partner in the dialogue. Political parties usually remain onlookers. By exercising its mandate, NIMD fulfils a pioneering role on the African continent.

In Latin America, there is more recognition of the importance of political parties for the functioning of the political system. Nevertheless, despite the enormous social and technological transformations that have occurred on the Latin American continent in the past decade, political parties have not sufficiently reformed themselves. Although the majority of Latin Americans supports democratic rule, the growing gap between rich and poor as well as increased violence in a number of countries has led to the election of populist political leaders. The growing disillusionment with democracy is directly connected to the poor results achieved by politics in improving the daily lives of the people. Deepening democracy and reforming the political parties are high on the agenda in Latin America and are necessary preconditions for economic growth for everyone.

The hesitant openings towards democratic government in the Arabic world demand consistent support from the international community. The authoritarian regimes that have dominated this region in the past decade have resulted in a political Islamism in which social justice is an important trump in winning support from the inhabitants of these countries. Given the support enjoyed by Islamist movements, this delayed process of democratisation in the Arabic world is a great challenge to prevent reforms from becoming new antidemocratic regimes. Doing nothing is not an alternative. Europe will have to greatly expand its political engagement in the Arabic world.

In Asia, the economic and geopolitical importance of both China and India will continue to grow in the coming years. Nevertheless, there are important differences between these two countries. India is the largest democracy in the world. In China, despite its economic reforms, democracy remains anathema. This is also true to a greater or lesser extent of a number of other countries in this part of the world (for example, Laos, Cambodia, Myanmar and some countries in Central Asia such as Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan). From the perspective of democracy promotion, it seems advisable to see which lessons can be learned from India – not only to assess the applicability of 'best practices' but also could enhance the legitimacy of interventions.

This is to some extent also true of Indonesia, where NIMD has been active since 2002. After the fall of Soeharto's autocratic regime in 1998, India has taken great strides in the direction of becoming a mature democracy. Although there is still room for improvement, Indonesia's influence as *a democracy* in this region is increasingly more noticeable as evident, for example, in the ASEAN framework. This fact should be used by international promoters of democracy in general and NIMD in particular, especially with regard to possible activities in the region as a whole.

The OSCE region is characterized by some very promising transitions towards democracy, some stagnating transitions and, in a number of countries, by a return to dictatorship. This has led the international community to reassess the value of political institutions as a prerequisite for achieving stability, peace and development. In this same framework, there is also increased attention for the

importance of well-functioning multiparty democratic systems and the institutional development of political parties. The successful strategic collaboration between OSCE/ODIHR and NIMD in Georgia opens the perspective of using these organizations in other transitional countries in the OSCE area.

Bertelsmann Transformation Index 2003-2006				Freedom House / Democracy Index 2001-2005				
	Statusindex 2003	Statusindex 2006	Trend	2001-2002	2003	2004	2005	
Bolivia	6.3	6.07	▼●	2	2.5	3	3	
Georgie	4.1	5.73	▲	4	4	4	3.5	
Ghana	5.2	6.99	▲	2.5	2.5	4	2	
Guatemala	5.4	5.27	▼●	3.5	4	4	4	
Indonesië	5.7	6.04	▲●	3.5	3.5	3.5	3.5	
Kenia	4.6	5.78	▲	5.5	4	3	3	
Malawi	4	4.89	▲	3.5	4	3.5	4	
Mali	6.5	6.1	▼●	2.5	2.5	2	2	
Mozambique	5.4	6.01	▲	3.5	3.5	3.5	3.5	
Nicaragua	5.4	5.88	▲●	3	3	3	3	
Suriname	-	-	-	1.5	1.5	1.5	1.5	
Tanzania	5.1	5.65	▲	4	3.5	3.5	3.5	
Zambia	5.5	6.07	▲	4.5	4	4	4	
Zimbabwe	2.9	3.38	▲	6	6	6	6.5	
Zuid-Afrika	7.9	7.98	▲●	1.5	1.5	1.5	1.5	

Statusindex: laat het ontwikkelingsniveau van een land zien op zijn weg naar democratie en vrije markteconomie aan het begin van 2003 en 2006.

Hoe hoger het getal, des te hoger het democratische gehalte

Schaal: 1 t/m 7
1 = hoog (Nederland)
7 = laag (Syrië)

The above table shows Freedom House's democracy index and Bertelsmann's status index. The trends suggested in both resemble each other. The largest differences can be seen in Mali and Malawi, which might be explained by the fact that Bertelsmann's status index also gives an indication of the development towards a market economy.

Of the NIMD countries, South Africa scores almost an 8 on Bertelsmann's scale, which means: 'Good chances of consolidating a more market-economy oriented democracy'. The other NIMD programme countries all have a score of about 6 ('Shortcomings with regard to market-economy oriented democracy') or lower (from 5.38: 'Unfavourable developments' and from 3.35: 'Serious obstacles'). This last applies only to Zimbabwe. It should be noted that Bertelsmann did not evaluate Surinam.

If we do not take Zimbabwe into consideration, NIMD's choice of countries shows that these are countries that are experiencing difficulties but where there are still chances for improvement. In 10 of the 15 NIMD countries, the trend is a rising one, sometimes quickly and sometimes more slowly.

In contrast to the increased awareness of the importance of democracy support and the institutional development of political parties, the other side – the authoritarian or dictatorial regimes – is making its presence more evident. Regimes that want to obstruct democratisation are becoming more skilled in neutralizing democratisation movements and foreign support of the same. Zimbabwe is an example of this in Africa, Venezuela in Latin American and Belorussia in the OSCE region. Moreover, the policy followed by the present American government has led to a polarization on the issue of supporting democratisation processes. Many elites who oppose democratisation associate democracy support with foreign attempts to change a regime. And Washington's dismissal of the elementary rules of the game in its war on terrorism only feeds the belief that Western support for democracy is self-serving. The almost complete lack of identifiable EU policy towards democracy support that goes further than monitoring elections does not help to offer this growing opposition a constructive alternative. This development means that, in the coming years, even higher demands will be made on implementing the underlying assumptions of the NIMD approach. In addition, NIMD will have to prepare itself to respond to the growing number of requests from very vulnerable states or post-conflict states.

It is expected that, in this coming planning period, the NIMD mandate, the multiparty concept on which it rests and the specific ways in which it is implemented will continue to hold a unique position in the growing market for support for multiparty political systems and the institutional development of political parties. To maintain this position in the planning period, NIMD will have to invest in a deeper knowledge of democratic processes of reform. The partnerships with political parties that carry out reforms and cooperation with a large number of national and international institutions gives NIMD access to important information that can actively be made accessible by enlarging NIMD's function as a knowledge centre. Increased knowledge and a stronger organization, together with an increasing number of strategic partnerships with international organizations, will again enable NIMD to expand its productivity as of 2008.

3 NIMD programme 2007 - 2010

3.1 Aims and spearheads

Without democracy nobody fares well was the title of the first NIMD four-year programme. This document summarized NIMD's belief that socio-economic developments and the war on poverty can never be sustainable without democratic political systems since only in this context can conflicts of interest be settled peacefully. If conflicting interests lead to violence, social development comes to a halt, and much of what has been achieved is destroyed. Democracy in Europe forms the basis of our peace and prosperity, and this is equally true for societies on other continents. The European Union is an organization based on the cooperative efforts of 25 different countries; other countries on other continents that are involved in the transformation to and consolidation of the political system must also strive to make their own contributions to this process.

Democratic political systems are based on similar values but they differ from one another in the institutional and procedural forms they use, this as a result of historical, cultural, demographic and geographic circumstances. For sustainable efforts to eradicate poverty, for a peaceful society and to guarantee human rights, a democratic system is essential. This is what NIMD works to achieve.

Politicians are important actors in the attempt to give form and content to democratic political systems. Because NIMD is an organization of political parties, it focuses its activities on politicians and their institutions. This approach recognises the fact that political parties cannot develop in isolation. On the contrary, a party's chances of developing depend on legal provisions and, for example, its electoral system, which is why NIMD focuses on the development of multiform political systems. In addition to political parties, civil society also plays an important role in determining how a democratic system functions. In many young democracies, the relationship between political parties and civil society organizations is extremely problematic. In the coming planning period therefore IMD, together with its partners in NIMD's programme countries, will devote more attention to improving the relationships with civil society.

The multi-annual programme:

In addition to developing political multiparty systems and enhancing the institutional development of political parties, the first two priorities of IMD, NIMD will also devote attention to improving the relationships between the parties and civil society, the media and the international community of donors.

The aims of the second multi-annual programme are summarised in its title, *Political Parties: Pillars of Democracy*.

Spearheads for 2007-2010

The termination of the first multi-annual programme marked the end of NIMD's infancy. Using an analysis of the findings, results and the nine 'lessons learned', the evaluation proposed a number of strategic and institutional assumptions that NIMD has summarised in **five spearheads for 2007-2010**:

Spearheads 2007-2010:

The organization will invest in further professionalism, particularly in the following areas:

1. *expanding NIMD's network of knowledge*
2. *including all population groups*
3. *establishing strategic partnerships with international organizations*
4. *ensuring the sustainability of the programmes*
5. *increasing public support and socialisation*

During this period, NIMD will become an even more fully-developed organization in which a high level of transparency and demands of expediency will be coupled with the flexibility of being able to adapt to the changing political dynamics in NIMD's programme countries.

Although the nature of the NIMD mandate is such that NIMD will continue to function as a pioneer in a rather uncharted area of work, the accent in the next four years will be on developing NIMD into a knowledge centre whose additional value as an organization of and for political parties will further emphasize the information and expertise available. Supporting democratic processes cannot be done by using ready-made moulds, which is why exchanging knowledge is so important.

In carrying out the programmes, an efficient use of NIMD's knowledge and services, inclusiveness (the participation of all population groups in the political process) strategic partnerships and the sustainability of the programmes will be the most important spearheads. To strengthen public support for NIMD in the Netherlands and to support its collaboration with other organizations and its function as a knowledge centre, the multi-annual programme includes the development of a professional communication policy aimed at increasing the public and social support for democracy assistance in general and NIMD's approach in particular.

It is expected that the planned expansion of both the NIMD staff, as recommended in the external evaluation, and its store of knowledge base will increase the organization's productivity in the coming planning period. This will help to meet the growing demand for NIMD support and to allow NIMD to consider implementing new programmes in the future.

The multi-annual programme:

In the next four years, the accent will be on further professionalizing the realization of the programmes and on developing a network of knowledge so that the additional value of NIMD as an organization of and for political parties will further emphasize the information and expertise available. NIMD will operate on the cutting edge of political and social developments while remaining strongly anchored in the political parties that constitute IMD.

3.2 Programme objectives

The objectives of the IMD-programme 2007 – 2010 can be divided into two main categories: the contextual programme objectives and the institutional programme objectives for carrying out and supporting the programme's goals.

In the table below, these two categories are further elaborated in generic results, the intended effects and the indicators that will be used to monitor the results and effects. This table of objectives has been drawn up for each programme country and region; these can be found in annex III. (See the footnote 'justification' below the table for a justification of NIMD's method of presenting its objectives and results.)

NIMD objectives 2007-2010			
Meta-objective: Supporting multiparty democracies and the institutional development of political parties as a contribution to strengthening democracy, and ensuring greater political stability and economic development while reducing violent conflicts and poverty.			
Objectives*	Expected results** (output & outcomes)	Impact	Indicators
<i>Programmatic objectives</i>			
1. Strengthening multiparty political systems	(i) national legislation on electoral systems and elections; regulating and financing political parties' reformed and renewed legislation concerning political parties (ii) codes of conduct developed and implemented at the national and local levels (iii) increased representative participation of population groups in political and decision-making processes (at national and local levels) (iv) national political agendas for reform developed and institutionalized (v) dialogue between political parties institutionalized at national and local levels	(i) an enabling environment for peaceful and honest elections created (ii) reduced polarisation and increased political cohesion (iii) improved gender balance and diversity at national and local levels (iv) quality of policy dialogue improved and institutionalized (v) more consensus about political reforms	(i) National legislation on government financing of political parties reformed in 25% of NIMD's programme countries (ii) Programme countries score higher on the Freedom House/Bertelsmann index (iii) With respect to the previous elections, a 10% increase in the number of female parliamentary members in 50% of NIMD's programme countries (iv) agendas for democratisation consolidated in national development plans of 5 of NIMD's programme countries (v) collaborative agenda for political reforms
2. Institutional development of political parties	(i) leadership and organizational capacities of political parties strengthened by a strategic multi-annual programme (ii) political identity and party manifesto developed and implemented (iii) internal party democracy strengthened and representative representation of population groups increased (iv) financial management systems and decision-making procedures institutionalized and made operational	(i) Political parties' knowledge and capacities strengthened and institutionalized (ii) Using a party programme, parties present themselves more clearly in the period between two elections (iii) Improved internal representation and inclusiveness (iv) Political parties' accountability for activities and finances improved	(i) Party secretariats strengthened (ii) Party manifestos and programmes developed and made available to the public (iii) Regularly occurring and transparent internal elections (iv) Quality of financial reports and annual reports improved
3. Improving the relationship between political parties and social organizations	(i) Political and social organizations participate in national and local policy dialogues (ii) National structures for discussion institutionalized (iii) Dialogue between political parties and the media to improve relations	(i) Greater participation in and quality of national policy dialogues (ii) Reduced polarisation between political parties and civil society (iii) Decreased polarisation between the media and political parties	(i) Improved quality and coherency of national policy plans (ii) Increased social appreciation of political parties (Latino and Afro barometer) (iii) Monitoring reports about political parties in the media, and the development and use by the political parties of a media policy

<i>Institutional objectives</i>			
4. Institutional knowledge and capacity of NIMD expanded and made accessible to public	(i) M&E systems developed and institutionalized in all programme countries (ii) Mobilising, expanding and making available practical knowledge and expertise for internal and external use in a network of knowledge and a knowledge centre	(i) Results and impact effect measurable, and lessons learned incorporated in new policy (ii) Quality and implementation of programming improved	(i) Number and quality of local M&E systems (ii) Knowledge centre established and operational (number of hits?)
5. More public support and improved external communication	(i) Increased familiarity with and reports on NIMD within political parties (ii) External communication policy developed and implemented (iii) Better working relationship with civil society organizations in the Netherlands	(i) More support for NIMD within political parties (ii) Public more aware of NIMD's activities (iii) Greater support from civil society organizations for NIMD' activities	(i) Number of politicians present at lunch lectures increased by 50% (ii) Number of page views and links to NIMD website increased by 50% (iii) Number of activities organised together with Dutch organizations increased
6. Strategic network expanded and partnership agreements in programme countries realised	(i) International network consolidated (ii) Increased strategic cooperation with UNDP, OAS, and OVSE/ODIHR (iii) enter into a partnership with EU and AU in a number of African countries (iv) encouraging local partners to expand their strategic cooperative efforts to international (v) participation in European network involved in carrying out the European agenda	(i) Following NIMD's approach to democracy support (niche is sustainable strengthening of political systems) (ii) European policies towards supporting human rights and democratisation strengthened (iii) Programmatic and financial sustainability of NIMD interventions achieved	i) Number of similar organizations in 10 programme countries consolidated between 2007-2010 + extended with new local multiparty institutes (ii) European policy document published (iii) 3-5 new strategic partnership agreements entered into in programme countries

Explanation

* (Re: Objectives): Missing in this table are what are called 'inputs' in the framework of subsidy policy, which is usually meant (also in the lines of the MFS) to refer to the contributions from 'third parties' and which encompass both financial contributions and the contributions from partner organizations. In the framework of the subsidy policy in which NIMD has been placed, a specification of the financial contributions from third parties is not called for. The financial contributions from strategic partners, such as the OVSE, the UNDP and the EU, are not independent contributions to NIMD's programme, but rather they finance an additional part of the programme that is not financed by the Ministry of Foreign Affairs.

What is important are the contributions of the political parties participating in IMD. These contributions are specified in section 6.3 of this multi-annual programme.

** (Re: Expected results): In contrast to the annual report, the multi-annual programme does not distinguish between outputs and outcomes. The primary reason for this is that the results in the multi-annual programme are not formulated at the level of activity (as in the annual report), but at the level of

strategic influences on policy (especially in connection with objective 1 regarding the strengthening of the multiparty political systems).

At the level of strategic influences on policy, NIMD is part of a field of influence consisting of many actors, so that the specific attributes of NIMD's interventions are not always immediately recognizable. As a result of the question of attributes, the goal of measuring results at this level is not to determine the individual contributions made by NIMD to the process of change but to analyze the trends; based on this analysis, it is possible to analyze the direction in which the process of change with respect to multiparty systems will develop.

With respect to objectives 2 and 3, it is easier to determine NIMD's interventions at the output level. However, given the fact that the strengthened capacity of the partner organizations (output) and the strengthened capacity of the target group (outcome) are related to political parties at both levels, it is artificial to make a distinction here.

In light of the above arguments, NIMD has chosen to join outputs and outcomes in this multi-annual programme to prevent a theoretically formulated framework of indicators from being developed that would insufficiently contribute to NIMD's system of quality and that could result in an artificial, time-consuming and expensive system.

3.3 Programme implementation: instruments of intervention

In carrying out the programmes, seven instruments or methods of intervention are used, and their applications will be followed by using a number of parameters. These instruments of intervention will be presented separately but, in practice, they will be developed and implemented in combination with one another. Moreover, they will draw on the lessons learned as they continue to be developed in the future.

3.3.1 Partnership, ownership and inclusivity

These three points of departure are the cork upon which the realization of the NIMD programme floats, since no change can be sustained if it is not supported by those responsible for its having been implemented. The political will to carry out sensitive processes of reform (reallocating power) presupposes that mutual trust has grown, new rules have been drawn up and that the parties involved will themselves take the initiative. Democracy is not an export article, nor is there a generic mould that can be copied.

Consistently applying these points of departure is the basis of both the trust that NIMD now enjoys from its partners in the programme countries and the impact that the programmes in various countries have had in just a relatively short period.

The various partnerships were consolidated in 2005 in the *IMD-partnership Charter* (see annex II), which will continue to be the foundation for working together with political parties in NIMD's partner countries. This Charter sets forth the reciprocal generic rights and obligations; specific rights and obligations are set forth in the various programme and/or project contracts. Within these frameworks, NIMD promises to consult in time with its partners on their respective annual reports and to adjust NIMD support accordingly.

As the partner relationships continue to consolidate, NIMD will stimulate its partners to develop their own multi-annual plans that will also present a specification of the plans, including the budget, from year to year. After the initial period of developing a relationship and a programme framework, the initiative for elaborating multi-annual plans will be left to the respective partners.

The first NIMD partnership days, which resulted in the NIMD Partnership Charter, took place in July 2005. It is the intention to repeat this event every two years in order to evaluate the evolutions in the partnerships and to discuss the progress of the programmes together with the other partners. These meetings will also be used to organise a periodic policy dialogue between partners and the NIMD Board, thus giving partners the opportunity to influence NIMD policy at the managerial level.

Instrument ('input')	Objective	Output	Effects ('impact')	Parameters used for monitoring
1. <i>partnership, 'ownership' en inclusivity</i>	establishing and maintaining partner relationships with political parties as the bearers of multiform democracy	inclusive approach mutual respect mutual trust	strong ownership greater self-confidence own initiatives	mutual consultations held in time representative of all politically interested parties political involvement: - level and frequency of participation; - measure of party's own initiative; - own contribution

3.3.2 Dialogue

Democracy is learned by putting it into practice. The dialogue with others is the most appropriate instrument for searching for peaceful solutions to problems. IMD, together with the UNDP, has had extensive experience in Guatemala in facilitating a structured national dialogue between political parties. This resulted in an agreement on a very thorough agenda intended to consolidate peace in Guatemala and to enable multiparty democracy to function more successfully there. And this in turn resulted in both a government programme that incorporated the plans developed and a programme of priorities enabling parliament to monitor the government's implementation of these plans. However, it was not just all a matter of making plans in Guatemala; the continuing dialogue is especially aimed at carrying out the proposals for reform. This same development can be seen in the programme in Ghana.

The experiences with the dialogue method are available for the other NIMD programmes. NIMD is also collaborating on a manual about dialogue for democracy that is being co-produced by International IDEA and the UNDP and that is expected to be made available in the course of 2006.

Dialogue is important not only for cooperation between parties but also for the approach to the institutional development of the parties themselves. In the development of strategic plans, NIMD strongly emphasizes the need for a broad participation of party cadres in drawing up these plans.

Instrument	Objective	Output	Effects	Parameters used for monitoring
2. <i>dialogue</i>	making it possible for parties to discuss shortcomings and find ways of improving the functioning of multiparty democracy	structuring and institutionalising dialogue supporting interactive assessment exchanging 'best practices' developing agenda for implementation	less polarisation more public debate about matters of policy agendas for reforms (strategic plans)	How participatory is the dialogue How intensive is the participation? Is there a clear agenda (strategic plan) leading to improvement? Measure of willingness to analyse and resolve points of conflict

				Are there indications that politicians are more actively involved in implementing the content of their programmes?
--	--	--	--	--

3.3.3 Peer pressure

The collaboration between political parties that is actively supported by NIMD creates a situation in which parties collectively enter into obligations concerning their cooperation with IMD. The terms of these agreements are decided on after extensive consultation with one another. Experience has shown that parties are aware of one another and they do not want to remain behind or book fewer results when carrying out these agreements. The agreements and their implementation are completely transparent, so that if one party lags behind, the other parties immediately hear of this. This mechanism of peer pressure is used by NIMD where possible, also in regional programmes, in order to firmly anchor the ownership of the process of change.

Instrument	Objective	Output	Effects	Parameters used for monitoring
3. <i>peer pressure</i>	encouraging positive competition among political parties	facilitating inter-party dialogue regional collaboration among political parties exchanging best practices transparent methods of working	increased willingness to change more emphasis on institutionalisation	registration of use of best practices parties internalise the results of regional agendas

3.3.4 Performance-based financial support

To give both the partners and NIMD more insight into the progress being made in realising the various objectives, NIMD has begun, in consultation and agreement with the partners, to offer financial support on performance-based criteria. These criteria describe the contextual, administrative, procedural and contractual agreements that parties have to honour, what the consequences are if they fail to comply and what the bonus is when they do well in meeting these criteria. Partners who do well can look forward to extra support, whereas others may find their support reduced or denied. In the new multi-annual programme, the performance-based criteria will be implemented in 80% of the programmes in which political parties are supported.

The mutual rights and obligations of a partnership expressly mean that NIMD has the right to efficient and transparent financial management of the funds it provides and to a result-oriented performance of the activities financed by these funds. NIMD makes stringent demands on its partners with regard to inclusiveness, representation and impartiality and it intends to use performance-based criteria in all of its programmes; these criteria based on fulfilling contractual obligations, must be met by a party if it wishes to be eligible for support. In this way, parties can in fact eliminate themselves from this cooperative effort. If the obligations are not met, support is terminated. This principle was applied in Mozambique and, more recently, in Malawi.

Instrument	Objectives	Output	Effects	Parameters used for monitoring
------------	------------	--------	---------	--------------------------------

4. <i>'performance-based' financing</i>	transparent financing of political parties based on terms agreed on by all parties and coupled to the results achieved	agreement about terms of financing with 80% of the programmes transparent financing financing ends for parties who do not honour the agreements (self-elimination)	financing is not a source of conflicts among parties setting up financial administrations introduction of accountability in party financing	financial reports are correct and ready in time participation in training sessions focused on improving financial administration
---	---	--	---	---

3.3.5 Meetings with politicians

NIMD's extra value lies not only in the joint efforts of the political parties to support political systems in young democracies, but also in the contact between politicians from political parties involved in these joint efforts. The interest shown by Dutch politicians and their willingness to share experiences are highly valued by politicians in NIMD's programme countries. This helps to expand the horizons in national discussions. It has also proven useful to have politicians from programme countries visit the Netherlands and experience how the Dutch political system functions.

Foreign politicians often remark on the great amount of trust in the Netherlands with regard to how parties function (this despite the fact that the Dutch population itself has less trust!) and on how politicians in the Netherlands treat one another. There is also a great interest in the process of coalition-forming, negotiations about government programmes, how the Dutch Parliament functions and institutions such as the SER. These visits strongly reinforce the political nature of the collaboration between NIMD and its partners. An exchange of visits by politicians is planned only if the proposed visit is functional in the framework of questions that arise in implementing the country or regional programmes. A report is made of each visit and the contributions of the various politicians are documented in the NIMD knowledge centre.

Instrument	Purpose	Output	Effects	Parameters used for monitoring
5. <i>exchange of politicians</i>	strengthens political cooperation by exchanging knowledge and experience	organising visits by politicians strengthening the network of politicians documenting knowledge and experience and making this accessible via the knowledge centre	visits lead to new initiatives that are in keeping with the objectives of the programme increase in mutual trust and political will to implement changes	Are the NIMD partners the requesting party? Is the knowledge contributed during these exchanges documented so that it can be shared with others?

3.3.6 Training programmes

As a rule, questions regarding training programmes appear in the partners' strategic plans. However, NIMD has a pro-active policy with regard to training programmes in the following areas: the political party's financial administration, the use of strategic planning processes and the use of ICT to improve communication with and between political parties and to give parties better access to the information available. NIMD strongly urges its partners to mention in their annual report those training

programmes that give attention to these areas. This is made necessary by the parties' temporarily weak administrative infrastructure.

Instrument	Objectives	Output	Effects	Parameters used for monitoring
6. <i>training</i>	contribute to sustainable development of capacity of politicians and administrative staff of political parties	<p>facilitating various sorts of training programmes</p> <p>training the trainers</p> <p>developing material for training programmes by using the knowledge centre</p>	<p>expands professional capacity</p> <p>contributes to institutionalisation of political parties</p>	<p>use of skills acquired</p> <p>quality of training methods</p> <p>quality of training material</p> <p>quality of trainers</p>

3.3.7 Promoting support for democracy

NIMD is part of a growing network of organizations that support the development of democracy. Because of the great demand for this support and the relatively young experience (the last two decades) in this work, it is important that an active policy dialogue be held with policy makers in the Netherlands, the European Union and other relevant international organizations. In this way, the experience that NIMD acquires in carrying out its mandate can be dispersed. NIMD believes that the support of democracy should be given a more central place in the foreign policy of the Netherlands and the European Union.

3.4 Steps in implementation

A number of preparatory steps are involved in implementing a programme in a selected country, and the time involved depends on the specific circumstances in the country in question. This can vary from a year and a half to three years. It is expected that, because of the expertise that NIMD now has in house, the preparatory time needed for new programmes will be shorter; however, local circumstances will remain the decisive factor in determining how much preparation time is involved.

The first step

The first step in the preparation is that between receiving a request to consider a new country and the decision by NIMD's Board about whether or not to include this country in its programme. Such a carefully considered decision usually takes about a year. The request is reported to the NIMD Board, who is asked to seriously investigate the possible candidate, to reject it or to put it 'on hold'. (The selection of programme countries and regions will be further elaborated in a separate chapter)

If the NIMD Board decides that there are no objections to the request, the institute will do a desk study, according to a standard form, of the political situation in the country in question, using open source analyses and information from internationally recognized institutes such as the International Crisis Group (ICG), Clingendael, the Intelligence Unit at The Economist, International IDEA, etc. It may also be desirable for NIMD staff to collect information on location in the country in question. Based on all of this information, a proposal is presented to the NIMD Board for an official mission to identify potential candidates for future cooperation. This involves holding discussions with the political parties and groups, academics, representatives of civil society organizations, the media and the international community. These identification missions make recommendations to the NIMD Board, which then decides about whether or not to begin a programme in the country under study.

The second step

In the case of a positive decision, the second step is initiating the dialogue with political parties in the future programme country about the desired programme framework and the ways in which both the

inter-party dialogue and the bilateral support for political parties can be implemented. In this stage, no direct financial help is usually given to the parties, but there is financial support for the dialogue process aimed at reaching an agreement about priorities and the ways in which cooperative efforts will take place. Depending on the country's political situation, this process can take from one to three years. It will usually result in an agreement among the political parties about cooperating in an inter-party dialogue and about how bilateral support to the parties can best be provided. A transparent agreement and its implementation is important to prevent any possible escalation of controversies.

One of the instruments developed by NIMD for this phase is the interactive assessment tool, which was used with success in the programme in Georgia. In the future, this instrument - if necessary, in an adjusted form - will be used in the preparatory phase of other programmes.

Up to now, NIMD has succeeded in carrying out a programme in all of the selected countries. No programme has yet stranded in the preparatory phase or has proved to be impossible because of the criteria used. However, this could still occur, particularly if political developments take a negative turn as, for example, in a coup d'état.

3.5 NIMD programmes

3.5.1 Country programmes

The use of instruments of intervention is not the same for all programme countries since the findings of the identification missions on which the NIMD Board based its original decisions are directive in determining the approach in each country. Moreover, the present NIMD programmes can be divided into three categories:

1. In most countries, the programme's framework will be guided by a combination of the first two major objectives of NIMD – (1) improving the functioning of the multiparty democratic system and (2) strengthening the institutional development of political parties. The relationship between these two objectives can vary per country. In practice, however, the cooperation and agreement needed before political parties can be supported will result in the first activities being concerned with facilitating an interparty dialogue before actual party support can begin. The third main objective, the relationship with civil society organizations, is dealt with only after progress has been made in the first two objectives.

The multi-annual programme:

In this planning period, the sketched programme approach will remain the primary approach in the majority of NIMD's programmes.

2. In a second category of countries, it is not desirable to begin with the first two main objectives for a number of reasons; instead, another approach is chosen that is better suited to the local situation. An example of this is the programme in Indonesia. The specific circumstances in the democratic process of transition in this country led to the choice to begin with support for an innovative programme in which bridges were built between the political parties and civil society. Furthermore, it was also decided to work from five carefully selected regions in Indonesia rather than at the national level. Calculated into this approach were the considerations that the number of regions can/will expand in the course of time and that this regional contact with political parties will develop at the national level, so that both of the first two main objectives will be realized.

Another situation is one in which support is given to a democratic movement that is preparing a return to democracy. The only such example among the present NIMD programme countries is Zimbabwe. All three main objectives have been included in the programme in Zimbabwe, and priority has been given to dialogue and inclusivity. However,

implementation is limited and sometimes impossible because of the lack of public space for a dialogue. Preparing a peaceful transition and developing an agenda for this transition are nevertheless important investments in the return of democracy to Zimbabwe and in the stability of the southern African region where NIMD has programmes in most of the countries surrounding Zimbabwe, including South Africa.

3. Finally, there are a number of countries in which recent violent conflicts have come to an end and attempts are being made to establish a democratic government. NIMD is cautiously considering a possible programme in Afghanistan, and an identification mission was sent to Burundi in 2006. In May 2006, the NIMD Board approved the start of a programme in Burundi. It seems likely that NIMD will be involved in more post-conflict countries in the future.

The multi-annual programme:

NIMD expressly wishes to reserve room for programme strategies that deviate from the main strategies. There are no standard approaches to democracy assistance. Innovation and flexibility should remain characteristic of NIMD's approach. Up through 2010, more experience and knowledge will be gathered about processes of democracy in complex situations.

3.5.2 Regional programmes

In addition to the country programmes, NIMD supports regional cooperation among political parties in **regional programmes**. The regional programmes offer political parties the opportunity to discuss controversial issues, exchange analyses of democratisation processes and share experiences with various approaches to common challenges, all of this at an objective distance from their home base. Experience has shown that, as a result of their competing with one another, the participants in these regional networks feel more stimulated to implement changes at home.

Two types of regional programmes can be distinguished. An example of the first type is the regional programme in East and Southern Africa, a programme in which all of the political parties in the region, from Kenya to South Africa, participate. A number of themes are jointly chosen and elaborated in thematic regional meetings. The results of these meetings are incorporated into the national country programmes. The exchange of information in the network is carried out by local knowledge centres, and the network itself is directed by a steering committee consisting of two chosen representatives per participating country, one from the governing party and one from the opposition. This is the first time that governing and opposition parties work together at the regional level. This same sort of regional cooperation has also developed in the Andean region and in Central America.

The multi-annual programme:

In regions with a concentration of NIMD programme countries, regional cooperation will be supported if there is a clear link between the regional and the national agendas of democratisation. A good exchange of information between political parties about the processes of reform is crucial to this regional network.

The second type of regional programme that is being developed is being led by political parties from one of the programme countries who wish to share their positive experiences with political parties in their region that come from countries torn by internal conflicts. An example of this is Ghana, where the political parties have a network with political parties in surrounding West African countries in the hopes of convincing them to initiate national dialogues. It is in Ghana's own interest to have stability at its borders, and this is the reason that the political parties themselves have taken the initiative to support democracy in their neighbouring countries with assistance from IMD. It is possible that this type of regional programme will eventually evolve in the direction of the first type of regional programme.

The multi-annual programme:

Regional processes of democratisation that are undertaken by NIMD partners and that fall within NIMD's mandate will be supported. NIMD will encourage this form of cooperation developing into the first type of cooperation.

3.6 Choice of country

3.6.1 Existing programme countries

NIMD will begin implementing its multi-annual programme 2007-2010 in the following fifteen countries, where it has relationships with 152 political parties and nine multiparty institutes or intermediary partners. Detailed information about the programme countries can be found in Annex II.

	Start of preparation	Start of implementation	Number political parties	Name of local partner	Method of financing
Mozambique	1999	2000	5	Centre for the Promotion of Multiparty Democracy (CPDM)	Regular
Tanzania	2002	2002	5	Tanzania Centre for Democracy (TCD)	Regular
Bolivia	2002	2002	10	Bolivian Foundation for Multiparty Democracy (FBDM)	Regular
Guatemala	2001	2002	21	Multiparty Institute for Political Parties (IMEP)	Regular
Surinam	2002	2006	15	Democracy Unit (of the Anton de Kom University)	Regular
Ghana	2002	2003	4	Institute for Economic Affairs (IEA)	Regular
Malawi	2002	2003	6	Center for Multiparty Democracy Malawi (CMD-M)	Regular
Zambia	2002	2003	6	Zambia Center for Inter-Party Dialogue (ZCID)	Regular
Zimbabwe	2002	2002	n/a	Zimbabwe Institute (ZI); Institute for Democracy in South Africa (IDASA)	Regular
Mali	2002	2004	44	Projet Partenariat pour le Renforcement des Capacités de Partis Politiques (PPRCPP)	Regular
Indonesia	2002	2004	7	Komunitas Indonesia untuk Demokrasi (KID)	Regular
Kenya	2004	2005	15	Center for Multiparty Democracy Kenya (CMD-K)	Regular
South Africa	2004	2004	9	Centre for Policy Studies (CPS)	Regular
Georgia	2004	2005	6	Caucasus Institute for Peace, Democracy and Development (CIPDD)	Multilateral
Nicaragua	2004	2005	9	United Nations Development Programme (UNDP)	Multilateral
Afghanistan	2005	n/a	n/a	National Democratic Institute (NDI)	Regular/ Multilateral
East and Southern Africa	2004	2004		Center for Policy Studies (CPS)	Regular
West Africa	2004	2005		Institute for Economic Affairs	Regular
Andean region	2005	2006		Ágora Democrática	Regular/ Multilateral

The NIMD Board is considering two countries: Afghanistan, where a preparatory study is being done by the American National Democratic Institute for International Affairs (NDI), and Ecuador. A decision about these countries is expected to be made in the course of 2006. Should the decision be

positive, the programme will be implemented in the framework of NIMD's Multilateral Programme (MP), which means that financing will be done by multilateral and bilateral organizations.

3.6.2 Criteria for selecting countries and regions

Because the request for NIMD support from new countries continues to surpass NIMD's present capacity, it is important in the coming planning period that countries are selected on the basis of strict criteria. The findings of the institutional evaluation resulted in the criteria being further expanded by incorporating the experiences gained from the current programmes. This led to the following criteria being added to those listed under section 1.4 with regard to the decision-making process:

- *The historic momentum of the democratisation process in the country in question;*
 - countries that have recently undergone a political earthquake leading to an opening for a democratic form of government are given priority (as was recently true of Kenya and Georgia);
 - countries in which armed conflict ended peacefully and in which free elections have taken place under a new constitution (if this does not impede the formation of political parties) are eligible for consideration (for example, Burundi and perhaps Afghanistan);
 - countries with a tradition of authoritarian rule but with increasingly more political room for the institutional development of political parties and further democratisation (for example, countries in the Middle East, such as Jordan, Morocco and Yemen).
- *The geostrategic position of the country in question for the progress of democratisation and regional cooperation;*
 - there is a strong preference to give priority to countries in which political parties, in the framework of the NIMD programme, have access to a regional network or where such a network may eventually be realized;
 - in the course of the programme, it may be possible to honour requests from countries in regions that are of strategic importance to the Netherlands and Europe. The countries in the Middle East are an example of this category.
- *Possible strategic cooperation with the important multilateral and bilateral donors in the country in question;*
 - The advantages of strategically cooperating with multilateral organizations have been discussed elsewhere in this multi-annual programme. It is therefore reasonable that NIMD will seriously consider those requests that it receives from multilateral organizations. When considering these requests it is especially important to assess the extent to which collaborative efforts could enlarge the impact, the extent to which the political parties agree with such an approach and whether or not there is a financial basis to expand these collaborative efforts.
- *The nature of a potential programme and how this can be accommodated by NIMD's present capacity;*
 - NIMD focuses on the three main objectives in all of its programmes. Together these form NIMD's core business and remain the foundation of each programme. It is important that political parties are willing to cooperate with one another and that there is capacity at the local level to make these cooperative efforts possible, together with support from IMD. The order in which the three main objectives are implemented depends on the local situation. A tailor-made approach to implementing the three main objectives remains NIMD's trademark in the coming planning period.

3.6.3 Exit strategy

Up until now, there has been no instance in which the chosen approach to a programme has proven unfeasible or in which political circumstances have made it impossible to implement a programme. Given the political character of NIMD's activities, however, it is possible that, despite sufficient and considered preparation, problems arise in carrying out a programme. For this reason, it is crucial to have an exit strategy.

Such a strategy is necessary not only in unpredictable situations but also if, due to its success, a programme comes to a close (which is not the same as an end to the relationship that has grown between the political parties). Implementing a programme successfully demands time; a successful transition to and consolidation of democracy may take one to two generations.

One characteristic of the NIMD partnership is the belief that democratic reform and the consolidation of democracy are long-term processes. There must be trust before concrete reforms can be implemented. It is therefore logical to continue to follow the partnerships that have grown between the political parties and to maintain these relationships. The experiences in South Africa are illustrative of this point. In 1999, the programme was ended because it was assumed that, after two successful elections, multiparty democracy could function successfully. However, in 2004 new insights led NIMD to reinstitute the programme with South African political parties.

It seems more logical to continue the partnerships in order to strengthen democracy than to break off relations, although financial support could be reduced over a period of time. This is the assumption on which the financial planning of the multi-annual programme is based.

Dismantling a programme is an option if one or more of the following situations arise:

- Political parties do not fulfil their contractual agreements (performance criteria) and exclude themselves from working with IMD;
- Political parties do not show sufficient interest in working with NIMD or the political will to implement strategic reforms is;
- A programme will be reconsidered if a dictatorship is reinstated or if there is armed violence. The programme will not be automatically terminated if the partnership with the opposing democratic parties is still possible and if that is considered useful from a regional geostrategic point of view.
- If the NIMD has been successful and the specific NIMD approach no longer adds surplus value.

The multi-annual programme:

NIMD has invested a great deal in monitoring its programmes and its expenses and it will continue to do so in the coming years. However, it seems impossible that the three main objectives of the NIMD will be realized in one of the present programme countries in the coming planning period and that programmes will be terminated as a result of their success. It is expected that some successful programmes, thanks to NIMD's attention to the sustainability of the implemented processes of reform, will be able to draw from other sources so that NIMD's share in the programme's financing will decrease. The budget shows when this change in financing can be expected.

3.7 Expected growth of the NIMD programme

With the exception of the current perspectives in the IMD-MP programmes, no new programmes will be considered until after the consolidation of the evaluation recommendations (period 2006-2007) that are aimed at a further professionalism and strengthening of IMD. A stronger NIMD can devote its increased productivity to help new countries on the basis of the strict selection criteria that have been discussed earlier. In all cases, NIMD will actively encourage all programmes being implemented and financed together with other organizations.

The priorities in the coming years in the IMD-MP programme will be on expanding strategic partnerships such as those developed with the UNDP in Latin America, especially in countries in Central America and the Andean region, and the strategic collaboration with the OSCE/ODIHR in countries in the OSCE region, especially the Ukraine, Moldavia and Kyrgyzstan. Yet another perspective is strategically cooperating with the EU and the AU on the African continent, this perhaps also with the UNDP.

In the regular NIMD programme it seems sensible to have future chosen countries fall within the (sub) regions where NIMD already supports programme countries. These regions are East and Southern and Africa, West Africa, Central America, the Andean region and Southeast Asia. In addition to these regions, NIMD will consider expanding its programme to the Middle East in 2008, a region of particular strategic interest to the Netherlands and Europe. Recent developments in this region have opened the way for democratic developments and there is a great deal of interest in a dialogue with

partners in Europe about developing democracy. NIMD could take the first steps towards developing a programme in the Middle East in the second half of the new multi-annual programme.

The multi-annual programme:

In the first two years, the growth in the number of programmes will be limited to programmes that can be implemented and financed together with multilateral organizations. This enables NIMD to consolidate its regular programmes and to strengthen the recommendations made during the evaluation. In the course of this multi-annual programme, NIMD's strength will enable it to consider requests from potential new programme countries in its regular programme as well. Furthermore, serious consideration will be given to expanding in the Middle East.

3.8 Special spearheads in the programme's implementation

3.8.1 Inclusivity

Democracy means the participation by and representation of all citizens. Parliaments and governments throughout the world, even when democratically chosen, are dominated by men. And within political parties themselves, women, minorities and other vulnerable groups are underrepresented at all levels.

There is an international awareness of this situation and a wish to change it. This is certainly true of countries in which NIMD carries out its programmes. The Southern African Development Community (SADC) has set a goal to have at least 30% of the parliamentary seats in the SADC states filled by women. In fact, South Africa is in the forefront in guaranteeing the political participation of women. In Guatemala, NIMD supports a training programme for women who are already politically active so that they can increase their chances of being higher on the list for municipal elections. Moreover, organizations of native inhabitants have developed their own national agenda with NIMD's help and have presented this to the political parties in Guatemala.

However, there is still active resistance in many countries to breaking down traditional patterns. In the first place, political parties could make more room for innovation and they should stimulate more women, young people and representatives of minority groups to take on important positions. In the second place, women, young people and minority groups could be trained and prepared to participate in political processes. In the third place, policy planners should consider whether or not their plans have positive consequences for all citizens (here again, South Africa – where the national budget and all legislation is consistently tested from the perspective of gender – is ahead of other countries). In its dialogues with its partners, NIMD will focus on these issues where necessary.

Because inclusivity is a core aspect of NIMD's approach and because the participation of young people, minority groups and women is on the agenda of partners in all of the programme countries, NIMD wishes to use its network of knowledge to record and disseminate the concrete knowledge and experience gained in this area. NIMD must do more than offer theoretical information on this theme. Emphasis will be placed on exchanging practical information about how imbalances can be readjusted. Structural monitoring and evaluations will be used to determine which interventions are effective and how parties in the various countries (including the Netherlands) can learn from one another.

The multi-annual programme

NIMD has set the following goals, valid for all activities, for the next four years:

- *The themes of the representation of and participation by women, young people and minority groups in political parties will be on the agenda in every NIMD programme country.*
- *Every project proposal submitted to NIMD will explain the activity's contribution to participation by minority groups, women and young people.*
- *NIMD encourages that at least 30% of those participating in IMD-supported activities come from the categories mentioned above.*
- *NIMD's Knowledge Centre will make an inventory of training modules and best practices about expanding the role of women in political parties and political processes.*
- *Training programmes and discussions at NIMD will further strengthen NIMD's capacity to implement effective gender policy.*

3.8.2 The sustainability of NIMD intervention

The first effect of the NIMD programmes is the dialogue and cooperation that begins between political parties for the first time. How these processes develop and what they are called differ from one country to the next, but in most of the programme countries where NIMD is active a Centre for Multiparty Democracy (CMD's) either exists or is being established, and it is in these centres that the dialogue and cooperation is institutionalized. If these institutes prove their extra value in the process of democratisation in a given country, there is an increasing chance that they will eventually be able to function with less or with no support from IMD.

These institutes could, for example, be financed by the national government. As multiparty institutes, they could also appeal to donors who have until now been hesitant to become involved with political parties. There is a growing international awareness of the need to support political parties, and these CMDs could function as channels for broader international assistance.

What is more important is that the CMDs function as meeting places where politicians (and leaders of civil society organizations) can develop national agendas of reform and supervise their implementation. International support for the execution of these national agendas could be nationally harmonized via the CMDs so that the essential principle of ownership could be further embedded. In the NIMD programme, the instrument of sustainability is given institutionalized support with the perspective of CMDs becoming less dependent on or completely independent of NIMD's financial support once they have proven their value.

As already stated, financial or institutional facilities are not the only factors that guarantee sustainability. If, when working together, politicians learn to disagree peacefully, this will contribute to a changed political culture and will consolidate democracy. The sustainability of such a situation is difficult to assess, but the true value is immeasurable.

The financial support needed to strengthen political parties can produce sustainable results only when the political parties legitimately receive funds from national sources and foreign assistance becomes a marginal factor. The financing of political parties is a fixed topic in all of the strategic plans of the CMDs and is one that is being given priority. Financing with government funds is one of the answers that our partners are working towards. But in countries where political parties are unpopular and are known for their corruption, citizens are opposed to using public funds to finance political parties. Parties will have to (re)gain the voter's trust, which they can do by showing that they are seriously investing in the institutional development of their parties and by developing policies to tackle the country's problems rather than by spending their energy in fighting for power. Public funding, together with contributions from party supporters, seems to be the most feasible way of strengthening the financial basis of political parties.

The multi-annual programme:

The institutional development of CMDs of comparable local institutes in which dialogue and cooperation between political parties is given form will continue to be supported by IMD. The CMDs are the catalysts of the national agendas of reform and they can harmonize donor support for the execution of these agendas. In addition to supporting the institutional development of CMDs, special attention will also be paid to the theme of financing political parties and national legislation related to this. NIMD's goal is to have new legislation on the financing of political parties adopted in 25% of the countries in which NIMD is active in 2010.

3.8.3 Strategic cooperation in implementing the programme

In comparison to other organizations that support democracy or good government, NIMD is a small institute. But NIMD is unique with regard to its composition, its cooperation with political parties and the major objectives of its approach. This makes NIMD an attractive partner for organizations who recognize the importance of supporting NIMD's mandate but who themselves miss legitimacy or are otherwise hindered from supporting political parties directly. Because NIMD is a modest organization that does not threaten the big players in the area of international cooperation and because of its reputation for being trustworthy, result-oriented and flexible, it can easily work together with the UNDP, OAS, OSCE/ODIHR, International IDEA and others.

This strategic cooperation has been successful in Latin America and in the OSCE area of Georgia. The big players have shown less interest in NIMD's mandate in Africa, although it is expected that the EU and the African Union will develop this interest and that strategic cooperation on the African continent may begin in the next few years. There is already a possibility of working together with the EU and some EU countries on a programme in Burundi. The advantage of strategic cooperation with the big players is their political influence, the influence they have on harmonizing donors and, lastly, the resulting relationships between the democratic process of transition or consolidation and the implementation of the Poverty Reduction Strategy Papers (PRSPs) in the framework of the Millennium Development Goals (MDGs).

Lastly, this strategic cooperation affords possibilities of expanding the financing of NIMD programmes. NIMD tries to leave the responsibility for managing supplementary financing with the international partner, such as the UNDP, and to take responsibility for managing politics and knowledge. This avoids making NIMD compete for funding with, for example, the UNDP or the OSCE. NIMD's reach is greatly extended as a result of this strategic cooperation, and it underlines the social relevance and the need for the function that NIMD fulfils. NIMD is a lever in involving the international and bilateral community of donors in the implementation of the NIMD mandate.

The multi-annual programme:

Strategic cooperation with the big players in supporting democracy and good government is one of the foundations of the NIMD programmes. Where that has not yet been possible, efforts to realize this cooperation will continue in consultation with our partners in the programme countries. The good relationships with the UNDP, OAS, OSCE/ODIHR and International IDEA will be further expanded and special attention will be paid to developing strategic cooperation with the EU and the AU.

4 Network of Knowledge

4.1 IMD: a teaching organization

As a young organization in a new field of work, NIMD has always emphasized the organization's ability to learn. The annual external evaluations of some of the programmes and the recent evaluation of NIMD as a whole have proven to be valuable instruments of learning. The horizontal structure of the organization and working in country and regional teams all provide a relatively large number of possibilities to learn from experience. In addition, two staff conferences on substantive issues are held for a number of days each year.

The staff is also involved in the annual planning and reports. During the creation of the organization, a large amount of time was spent on aspects related to managing NIMD's work. Now that the results have been consolidated, attention can be devoted to the substantive aspects related to NIMD's mandate.

The multi-annual programme:

Learning will continue to remain central to NIMD's organizational culture. More in-depth knowledge will result from activating and expanding a network of knowledge from experts with a knowledge centre at its axis. The basis for this centre has already been laid. (www.nimdkc.org).

The axis of the network of knowledge, the experiences of NIMD's partners and the knowledge and experience of NIMD's staff will be a modest knowledge centre. This centre will not pursue applied academic research; instead, in answer to requests relating to the strategic plans of the regional teams, it will search for material at existing national or international institutes such as International IDEA or will have the information developed by experts in NIMD's network. It may also be possible to use the expertise of the training institutes of the various political parties, Clingendael and other knowledge centres (for specific assignments) and to set aside funds for this in the future.

4.2 Objectives of the knowledge centre

The knowledge centre hopes to realize a number of specific goals in the planning period:

Activating, expanding and making accessible (digitally or in workshops and internal training sessions) the specific, practical oriented knowledge and expertise in NIMD's network of knowledge for the use of:

- 1) NIMD staff;
- 2) NIMD partners (152 political parties abroad + parties in the Netherlands);
- 3) International strategic partners;
- 4) Others interested in NIMD's mandate.

Re: 1a) Knowledge and expertise present at and intended for NIMD's staff:

- Analysis of democratic developments in programme countries;
- Exchange of experiences on support strategies, instruments and best practices in NIMD countries (for example, in setting up Centres for Multiparty Democracy or televised political debates in Tanzania, or Malawi's performance-based criteria).

Re: 1b) Knowledge and expertise not yet present at NIMD but intended for its staff:

- Question-directed research concerning NIMD's three main objectives;
- Continuously surveying and storing the external, available, practical knowledge and expertise concerning NIMD's three main objectives both in the West and in the regions where NIMD is active.

Re: 2) Knowledge and expertise in the area of NIMD’s three main objectives that is intended for the political parties with whom NIMD works. This knowledge and expertise can be gathered from political parties in the Netherlands and Europe and from political parties in the countries bordering on the programme countries.

Because NIMD wishes to share knowledge with its partners and other interested parties, the activities of the knowledge centre should meet the following criteria:

- There must be a niche that is connected to external knowledge centres, websites and databases of other organizations;
- The knowledge and expertise in the knowledge centre is practical and applicable (tools).

4.3 Architecture of the network of knowledge and the knowledge centre

The architecture of the knowledge centre will reflect that of the NIMD programmes. Its general outline is as follows:

NIMD’s three main objectives	Normative frameworks <i>(intrinsic dimension)</i> as in current international and regional conventions, codes of conduct	Products <i>(instrumental dimension)</i> strengthening institutes and legislation	Processes <i>(constructive dimension)</i> working to increase participation and strengthen a democratic culture
Functioning of multiparty democracy			
Institutional development of political parties			
Nexus of political parties and civil society organizations			

The main objectives are subdivided into various dimensions as indicated in the NIMD Institutional Development Handbook: *A Framework for Democratic Party-Building*.

The architecture will be particularized according to the countries and regions in which NIMD is active, making it easier to compare information in the future.

In the knowledge centre, knowledge will gradually be made available about general themes that are important for the development of democracy; this expertise can be drawn from the political parties in the Netherlands. Examples of such themes are the following:

- Relation between government and religion
- Decentralization of public administration
- Coalition-forming and programmes
- Transparency of the government’s budget

The knowledge centre will also store the knowledge and experience gained from the various methods and instruments of intervention used by IMD. This knowledge can be joined to the knowledge in other centres that deals with the question of how democracy can be supported externally. The table below gives some examples of applied knowledge within IMD; it will be further expanded in the coming four years.

Intervention methods	Instrument	Best Practices
partnership and ownership	IMD-partnership charter	generic

dialogue	dialogue methodology	Guatemala
peer pressure		
performance-based financial support	financing agreements	Ghana
exchange of politicians		
training modules		
promoting democracy assistance	European agenda	
Programme preparation		
assessment/analysis of developments	NIMD interactive assessment tool	Georgia
strategic planning	NIMD handbook institutional development political parties	Kenya, Malawi, Zambia
institutional development of intermediary institutes	to be developed	FUBODEM, KID, IEA, CMD-K, CMD-M, TCD
development of national agendas	democratic consolidation strategy papers	Ghana, Guatemala

At the beginning of the planning period, NIMD will organize a number of workshops with partners and with advice from experts on the further construction of the knowledge centre and developing instruments to store, make accessible and disseminate knowledge.

The multi-annual programme:

By the end of the multi-annual programme (2010) examples of applied instruments and best practices drawn from NIMD programme countries will be available for all aspects of NIMD intervention.

4.4 Monitoring implementation, objectives and results

An important recommendation made in the recent evaluation of NIMD was to systematically and consistently monitor the progress of NIMD's various programmes in order to be better able to report on the programmes, to draw lessons from them and to disseminate these lessons via the knowledge centre.

NIMD has a system to monitor the management and spending of its finances. Making this system more fraud-proof with regard to how NIMD funds are spent will remain an important point on the agenda in this next planning period, and the available monitoring instruments will be adjusted according to new and advanced insights. This is a permanent topic on the management letter is drawn up an external accountant twice a year.

Monitoring the results demands a different approach. Important instruments here are the strategic plans of NIMD's partners. The implementation of these plans is regularly done at a national level by independent, academic institutes. In the coming planning period, NIMD will consult with its partners and strive to make the monitoring of results in the various countries as consistent as possible so that they can be compared. Monitoring how NIMD's instruments of intervention are applied and the results they produce will also be done more systematically in this next planning period.

Monitoring is part of the portfolio of the policy makers and the party coordinators. By becoming more systematic and expert in this area, NIMD will become stronger in the areas of monitoring and evaluations. The knowledge and insights gained will be stored in and spread by the network of knowledge.

The multi-annual programme:

The monitoring system at the three levels indicated (management, results with regard to objectives, and the effects of instruments of intervention) will be further elaborated and professionalized in the new planning period.

4.5 Evaluation policy

NIMD has two country programmes evaluated externally each year. These external evaluations, intended to determine the value of the programmes and their impact, cover all aspects of the programme and their management. Evaluation teams are usually composed of an independent expert from the country or region in question and one from Europe, preferably from the Netherlands.

The evaluation reports are an important mirror for NIMD's partners in the programme countries and for the staff and Board of IMD. A discussion of every evaluation with the NIMD Board and the NIMD Supervisory Board is prepared by NIMD staff, and the results of these discussions as well as the implementation of the recommendations are recorded in a memorandum. Moreover, all evaluations are published on NIMD's website so that they are available to the public. NIMD is the only organization in this field of work that follows this practice.

In its semi-annual meetings, NIMD's Supervisory Board uses the evaluation reports for an in-depth discussion of the countries in question. The reports are also discussed with the Ministry of Foreign Affairs in the framework of the continual policy dialogue between the Ministry and IMD. These practices will be continued in the coming years.

The first institutional evaluation of NIMD took place in the course of 2005, the third year of the first NIMD multi-annual programme. The timing of this evaluation proved to be fortunate with regard to incorporating the recommendations when planning the new multi-annual programme. The next external institutional evaluation is scheduled for 2009.

The multi-annual programme:

Developing the network of knowledge and the knowledge centre, strengthening the monitoring capacity and continuing external evaluations on a regular basis are, in addition to the learning culture within IMD, the most important instruments for optimizing the organization's in-depth knowledge in the coming years.

5 Public support and socialization

In the next four years, NIMD will invest in public support and socialization. By this is meant:

- Maintaining and improving support from political parties in the Netherlands;
- Strengthening contacts with civil society organizations in the Netherlands and actively participating in the social debate about democratization and international cooperation;
- Working together with similar organizations in both a European and an international context to expand the support of policy makers in the EU and other relevant international organizations for democracy assistance.

5.1 Relations with political parties in the Netherlands

Seven Dutch political parties, CDA, PvdA, VVD, GroenLinks, D66, ChristenUnie and SGP, are the founding fathers and the owners of NIMD. Each of them has a seat on the NIMD Board and two seats on the Supervisory Board. NIMD is of and for the political parties, as can be seen in the composition of its Board and Supervisory Board and in the position and responsibility of the party coordinators. These coordinators form the link between NIMD and the parties and they are strategically involved in the relations with the parties in the following ways:

- By making adequate use of the party network in preparing NIMD policy and implementing the NIMD programme, for example by having Dutch politicians convince their foreign counterparts at a comparable level of the possibility of working together with NIMD or by having them provide the thematic expertise that partners might request. Experts from Dutch political parties can also be asked to provide knowledge about such themes as strategic planning, party financing, media coverage, or increasing the number of women or young people in a party;
- Speaking at luncheons and/or writing articles in a party publication or on the website serve to inform party supporters about the developments in NIMD's programme countries. These supporters are part-owner of the NIMD mandate and must be involved as much as possible in NIMD. This is a common goal of the party coordinators and other NIMD staff and is supported by the communication policy.

5.2 Working with civil society organizations in the Netherlands

To implement its mandate, NIMD has structural contacts with such organizations as Hivos, Oxfam-Novib, Cordaid, OneWorld, the Derde Kamer (a virtual political forum for children), the Institute for Social Studies (ISS), the Centre for African Studies, CEDLA, Utrecht University, World Radio Nederland, Free-voice, Clingendael, Instituut voor Publiek en Politiek (IPP), the Documentation Centre for Political Parties, Asia House and Indonesiëberaad. In 2007 - 2010 NIMD will reserve more time and manpower to strengthen the ties with these organizations, to exchange knowledge and to participate in social debates about democratization and international cooperation.

5.3 NIMD in international networks

NIMD's objective in participating in various international networks is a double one:

1. On the one hand, NIMD is a relatively young organization and, as such, it wishes to promote its specific approach to democracy assistance. This is not only to gain publicity for NIMD but also to draw international attention to democracy assistance and the related importance of political parties. The direct support given by NIMD to political parties, multiform political systems and multiparty approaches is characteristic of NIMD's way of working, which is manifest in various international committees.
2. On the other hand, NIMD is not the only organization actively involved in democracy assistance. As a relatively small organization, NIMD is searching for strategic partnerships in order to increase the impact of its activities. NIMD hopes to establish such partnerships with similar organizations, political institutes, European institutes and multilateral organizations such as the UNDP and the OSCE.

5.3.1 European Agenda

The conference 'Enhancing the European profile in democracy assistance', organized when the Netherlands took over the chairmanship of the EU, was an attempt to formulate the specific European character of democracy assistance. This resulted in a European agenda (The Hague Statement) with a concrete programme of activities. The results of this agenda are now becoming visible at various European levels. Democracy assistance is receiving more attention in EU policy, and the recommendations from the 'European Initiative for Democracy and Human Rights' (EIDHR) study, carried out by NIMD at the request of the European Parliament, can now be seen in EU policy documents.

It is the intention to continue to implement this agenda in 2007-2010. Moreover, in these four years NIMD hopes to translate its good relationships with EU institutes into programme support. Although the first steps have been taken with the recognition of the importance of political society and the role of political parties in a stable political system, the EU is still very hesitant about financing political parties. It is expected that, in the future, financing will be done directly in the country itself and not as part of NIMD's budget.

A proposal for a complementary EU instrument to increase the operationality and flexibility of democracy assistance in Third World countries, the 'European Foundation for Democracy through Partnership', developed and submitted by the directors of the Westminster Foundation for Democracy (WFD) and IMD, is being discussed by the EU institutes. NIMD is chair of a steering committee of networks of European political institutes involved in democracy assistance. Within this network, information is spread to the relevant political and policy-making groups in Brussels. This network is also used for regular dialogues with the European Commission and the Democratic Caucus of the European Parliament.

5.3.2 Global Networks

In recent years, NIMD has been introduced to three global networks that are active in democracy assistance: the World Movement for Democracy (WMD), the Community of Democracies (CD) and the Worldwide Platform of Democracy Support Foundations. These networks were established by American organizations but have recently been directed by international steering committees. NIMD is actively involved in the steering committees of the first two networks (WMD and CD) with the objective of enabling political parties from NIMD programme countries play a direct role in these global networks. This will be expanded in 2007-2010.

The CD will hold its next general conference in Mali in 2007. Thanks to NIMD's efforts, political parties can participate in this conference for the first time, in addition to representatives of civil society organizations. The political parties in Mali are directly involved in preparations for the conference.

At NIMD's invitation, the WMD will send a steering committee to the Netherlands in 2007 to discuss the development of this international network. This gathering and the presence of several well-known international activists in the field of democratization will be used to further the political and social debate on democracy assistance.

5.4 NIMD's communication policy

5.4.1 Precedents

In a short time, NIMD has secured a position on the international market of (supporting) democracy assistance. The unique character of NIMD as an initiative of (almost) all of the political parties in the Netherlands to support multiparty democracy in developing countries and the specific methods of working developed by NIMD in the past four years have set an example in Europe and have led to the increasing demand for NIMD's knowledge, expertise and experience.

NIMD has thus far secured its position with only a modest channel for external communication. It is true that, from the very beginning, NIMD has enjoyed a number of basic facilities, including a recognizable logo, a website in English and a newsletter, but until recently NIMD had never had a resolute communication policy.

Partly because of concern about public support in the Netherlands for NIMD's work, NIMD asked an experienced journalist for advice in October 2005. This expert made a number of recommendations for developing a communication policy aimed at making NIMD more widely known and thus increasing its legitimacy in the Netherlands, especially among the political parties. Since then, NIMD has hired a policy officer to further develop and implement the communication policy.

5.4.2 Basic assumptions

The communication policy in the coming years will be based on the following: (1) NIMD's main objectives and the specific character of NIMD as an organization of political parties working together; (2) the above-mentioned recommendations for the development of a communication policy in general and, in particular, with regard to *strengthening public support* in the Netherlands; and (3) the relevant recommendations made in ECDPM's evaluation of NIMD with regard to professionalism, more strategic partnerships and a stronger profile of NIMD as a knowledge centre.

5.4.3 Objectives

For a focused communication policy, it is first necessary to professionalize NIMD's means and methods of communication. Basic facilities that are now missing, such as a media database, will be added in the course of 2006. Specific goals for further developing a communication policy are:

1) Support

Making NIMD more widely known and thus expanding its legitimacy with the founding fathers – the political parties in the Netherlands. If NIMD cannot sufficiently make known what the results of its activities are and how important the involvement of the political parties is, its support may begin to erode. The first objective in the communication policy for the coming years is to support the party coordinators in their work of better informing the Dutch political parties about the activities of IMD.

2) Information

The second objective is to better inform the Dutch media and, consequently, the Dutch public about NIMD's work. It is always desirable to let the taxpayers know what is being done with their money. But more information about NIMD's contribution to democratization processes throughout the world can also help to clarify the organization's importance and to strengthen public support in the Netherlands for development assistance. Moreover, attention to the need for democracy elsewhere can also stimulate the debate about democracy in the Netherlands.

3) Partnerships

The third objective is to better inform European – and especially Dutch – organizations active in the area of international cooperation about NIMD's work with the aim of establishing opportunities to exchange knowledge and to work together. These organizations can be divided into three different types:

- Related organizations (that is, organizations that focus solely on democracy assistance);
- Development organizations that work in countries where NIMD is also active and/or that regard democratization as one of their objectives;
- Knowledge organizations with expertise on specific aspects of democratization.

4) Network of knowledge

The fourth objective is to support the development of a network of knowledge by facilitating an increased accessibility to and exchange of knowledge (between IMD, Dutch political parties and global partners) and by encouraging the use of the online knowledge centre.

5) Promotion of democracy assistance

The fifth objective is, where possible and desirable, and together with related organizations, to continue to convince policy makers in the Netherlands, Europe and abroad of the need for NIMD's support of democratization worldwide and of the organization's specific view of these processes.

6 NIMD's organization

6.1 Organizational structure 2007-2010

The multi-annual programme:

The relatively light managerial structure of NIMD will remain unchanged in the coming planning period. When desired, however, it will become possible to invite experts from the network of knowledge to attend meetings of the Board and the Supervisory Board so that they can give advice on specific issues. Moreover, the Board will conduct a biannual policy dialogue with NIMD partners to give further substance to the partnerships and to gear the Board's policies to the partners' contributions.

NIMD staff will be expanded during the years of consolidation (2006 and 2007) according to the recommendations in the external evaluation made by ECDPM. This growth in staff should be completed by the end of 2007 so that the resulting increase in NIMD's capacity can be used to gain more qualitative in-depth knowledge of the existing country and regional programmes and to broaden support in new countries or regions..

6.1.1 Administrative organs

NIMD is an organization of political parties for political parties. The external evaluators concluded that NIMD's unique **hybrid structure** makes special demands on the Board and the management of the organization but that this structure should be retained because of the specific legitimacy NIMD consequently enjoys when exercising its politically sensitive mandate. This hybrid nature is especially evident in the function of the party coordinators who are named by the political parties to carry out NIMD activities.

The Board will conduct a biannual policy dialogue with a delegation of NIMD partners in order to deepen the mutual relationships and to execute that which was agreed upon in the **Partnership Charter**.

Although all political parties represented in the Dutch Parliament are eligible for membership in IMD, the Board has determined that NIMD facilities can be given only to those parties who have been represented in the Lower Chamber for at least 8 consecutive years. This provision is to avoid any possible fragmentation either in the continuity and professionalism of the support given to NIMD by these partners or in NIMD's effectiveness.

The administrative relationships are shown in the following tables:

<p>NIMD Supervisory Board</p> <p>Functions: - advises Board - supports chairman of Board - hears appeals/complaints from partners</p> <p>Members: 2 representatives per political party</p>
--

<p>NIMD Board</p> <p>Function: administers IMD, that is: - determines policy - checks implementation - represents IMD</p> <p>Members: 1 representative per political party + an independent chairman</p>

<p>NIMD Bureau</p> <p>Functions: - prepares policy for Board - implements policy, manages programmes</p> <p>NIMD Secretariat</p> <p>NIMD staff</p>

6.1.2 Internal organization and staff

The evaluation report contained a number of recommendations about strengthening and professionalizing NIMD's internal organization. These recommendations were concerned with increasing the organization's expertise and with the lack of staff. Both areas will be addressed in 2006 so that by 2007 NIMD will be both qualitatively and quantitatively strong enough to responsibly implement its multi-annual programme 2007-2010.

On the recommendations of the evaluation, the following additions will be made to NIMD's staff:

- the appointment of a deputy director;
- the organization's politically analytic capacity will be expanded by professionalizing the function of party coordinator;
- the smaller political parties in NIMD will soon have a full-time party coordinator. The evaluation found that the current part-time functions are not at all adequate;

- country teams will work together in regional teams for a better exchange of experiences, a more efficient use of expertise and more consistent programme support;
- staff will be appointed to monitor and evaluate, for the knowledge centre and for management.

One of the evaluation's recommendations was to strengthen NIMD's management by appointing a **deputy director**. This new function will focus especially on managing NIMD's internal organization and representing NIMD in the director's absence. In this new formation, the director will be concerned primarily with NIMD's strategic management and managing external strategic relationships. Together with the coordinators of the various functional units, the directors will be assisted by a **management team** in implementing their tasks. In addition to both directors, this team will also consist of the financial manager, the head of the policy team, the head of the multilateral programme, the head of office management and the communications officer.

The management team is concerned primarily with planning NIMD's agenda and monitoring the implementation of the Board's policy decisions. Preparing policy and carrying out the decisions of NIMD's Board are matters that are addressed by the directors in the monthly bureau meeting. This is the internal organ of consultation at the organizational level. Twice a year, this consultation takes place on a number of successive days, the so-called 'retreat days', thus creating an opportunity for more in-depth discussions. The monthly bureau meetings and their more expanded form are meetings that all staff members are required to attend.

In addition, there are **internal training sessions** on subjects that are important to the professional implementation of NIMD's mandate. And so-called '**feet on the table**' **lunch meetings** are periodically organized so that NIMD staff can discuss a specific issue in greater depth. Lastly, NIMD also organizes **luncheon lectures** with prominent foreign politicians or experts for its network of contacts in The Hague, meetings that are both enjoyable and informative.

The country and regional programmes are carried out by **country and regional teams**. The country teams consist of two party coordinators, a policy officer, the NIMD representative (if the programme has one) and a junior policy officer. The country and regional teams maintain all of the contacts with the NIMD partners and with the advisors who are involved in carrying out the programme. There is an increasing trend towards regional cooperation, both among the political parties in the regions where NIMD is active and within NIMD itself. This trend will be emphatically supported by NIMD's management. The establishment of regional teams (East and Southern Africa, West Africa, the Andean region and Central America; perhaps also in the OSCE area together with the Matra organizations, and the Middle East if the programme expands in this area) into which the country teams will be incorporated, will take place as soon as the necessary conditions in the region in question have been met.

In these future **regional teams**, the various approaches per country can be better discussed and compared, political analyses can be judged in a regional context, regional contacts between the programme countries can be better maintained and there will be more possibilities to learn lessons from the development of other programmes. All of this will further the efficiency of implementing the various programmes.

The regional teams will be responsible for:

- carrying out the complete programme cycle in the programme countries in the region in question. Within the regional teams, the tasks of implementation can be divided among the various countries;
- preparing, executing and monitoring the annual plans for the programme countries within the region and for regional activities;
- maintaining partnership relations with all of the political parties involved in the programmes;
- developing strategic partnerships with third-party organizations that are important for their sustainable support to the programme;

- adding the lessons learned to NIMD's knowledge centre;
- consulting experts from NIMD's political parties and reporting back to the political parties about the results achieved;
- directing regional or country coordinators;
- producing a strategic plan to ensure that the three disciplines (politics, development and institutional expertise) are capable of implementing the programmes and developing the products in the knowledge centre.

NIMD did not adopt the evaluation's recommendation of appointing an NIMD representative for each country since it believes that such an appointment would involve more disadvantages than advantages. It therefore chose a policy of 'no, unless', so that exceptions are possible if circumstances so indicate. The primary reasons for NIMD's objecting to a country representative are the interference of this construction in the underlying principle of ownership and partnership that NIMD espouses, the considerable costs involved and the infrastructure that would be needed at NIMD's office in The Hague to back up these representatives. NIMD chooses to support the development of local institutions that already existed or that have evolved in NIMD's programme. Local consultants are used to maintain contact between NIMD and its partners, and the ties between them are further strengthened by regular visits.

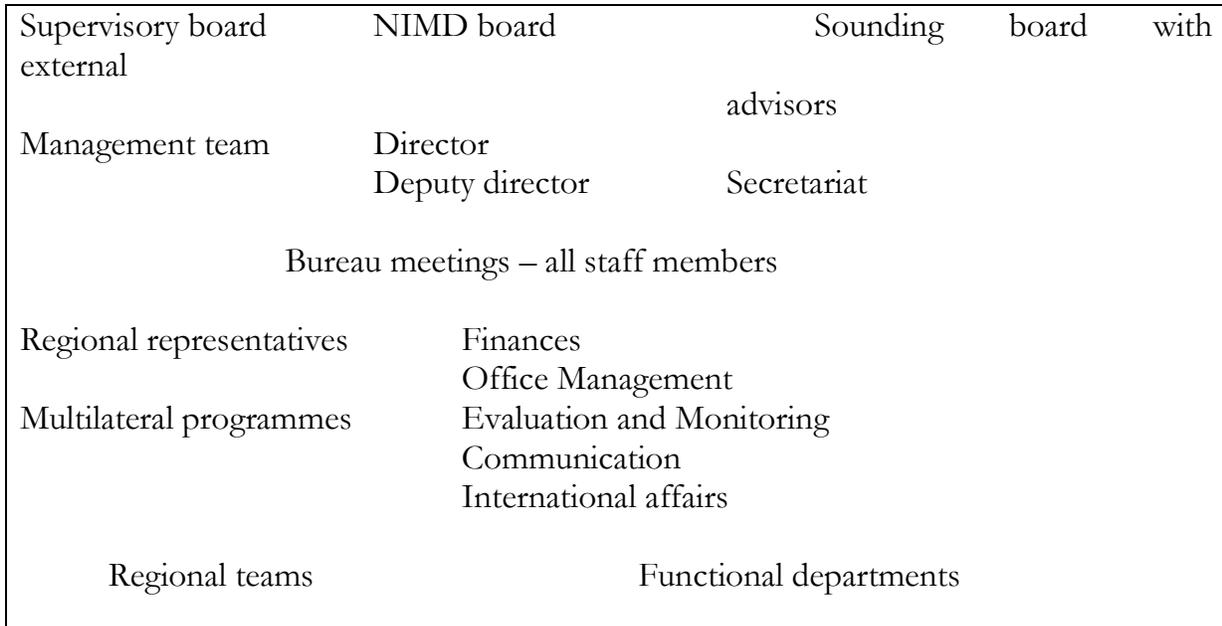
From the inception of the Guatemala programme, NIMD has had a **country representative in Guatemala**, this because of the complex political situation that arose in that country shortly after the peace agreement was signed. Although this representative appointment functions extremely well, it will be reviewed as soon as the parties in Guatemala have institutionalized their interparty dialogue and cooperation. It is possible that representation by country will be changed into a regional representation for Central America.

NIMD also has a **regional representative in East and Southern Africa** who is stationed in Johannesburg, South Africa. The need for a regional representative was in response to the concentration of a number of programme countries in this region and the active regional programme of the political parties in the region. The regional representative supervises the implementation of the various programmes and advises the directors and the country teams about the political developments in the region and in the programme countries.

The major task of the **Multilateral Programme (MP)** unit is to set up cooperative programmes and to implement them with completely external financing and/or by co-financing. The MP supplies the management, programme coordination and the specific knowledge needed to work with political parties in new democracies and also develops the analytical guidelines and monitoring instruments for this work.

6.1.3 Organization chart for 2007 - 2010

The evaluation report recommended the following organization chart for IMD. This chart is consistent with the other recommendations adopted by NIMD's Board and shows the organizational model that will function in the new multi-annual programme.



6.1.4 Overview of staff formation

Functions*	Present formation	New formation	Salary scale for public servants
Director	1	2	15 – 17
Secretariat	-	1,5	8 – 10
Office management	2,5	3	7 – 10
Financial management	1 + Fiadlon (external)	2	8 - 14
Communications officer	1	1	10 – 14
Policy officer International Affairs	1	1	10 – 14
Party coordinators	6	10	10 – 14
Coordinator Multilateral Programme	1	1	12 – 15
Policy officers	5	5	10 – 14
Junior policy officers	2	3	8 – 10
Policy officer monitoring and evaluation	-	1	10 – 14
Knowledge centre	-	2	8 – 14
Total:	20,5	32,5	

*The country representative for Guatemala and the regional representative for East and Southern Africa are not included here.

For each function there is a clear description of the function and a salary scale that is in accordance with the salary scales for public servants.

6.1.5 Administrative organization

The management of the NIMD programmes, the internal decision-making processes and the filing of records take place according to the **Programme Management System (PMS)** developed by IMD. This is an online management system that all staff can access wherever they are and where they can enter information in the domains for which they are authorized. In addition, the PMS is used as an internal instrument of communication providing all NIMD staff with information about NIMD events, Board reports, mission reports, terms of reference for missions, etc.

Every country programme has its own web page in the PMS where relevant developments in the programme can be recorded and documented. The PMS thus creates a great amount of transparency and efficiency in the organization's internal operations. It is checked twice a year by external accountants and their findings are positively set down in the management letter.

As of mid-2006, the financial administration will be coupled to the PMS, where insights into all financial reports will be provided by the Twinfields bookkeeping system. As a result, policy officers and party coordinators can monitor the financial progress of the programmes more directly and can better respond to developments in the programmes' management..

In addition to the well-functioning PMS, NIMD has also compiled a **Compendium** of all of the administrative and financial regulations effective at IMD. This acts as an internal constitution, and all NIMD staff must signed their acceptance and agreement.

Now that NIMD is beginning to grow past its pioneer phase, it has requested Lloyd's insurers to carry out an external audit of NIMD's administrative procedures, the so-called ISO audit. NIMD expects a

provisional certification in the summer of 2006 and a definitive certification before the end of that same year.

In addition to NIMD's internal management, there is also an active external management of programme funds that involves the following activities:

- instruction and training for financial management partners;
- no new funds without sufficient substantive and financial reports;
- introduction of performance-based criteria;
- active monitoring by local consultants;
- external accountants' review of the financial reports of the partners;
- periodic consultation with external accountants.

Parties who do not fulfil their obligations or where fraud is discovered will as a rule **lose their NIMD partnership**. Exceptions may be made if the fraud in question is attributable to one person rather than to the entire party and if the party has taken the necessary measures to prevent any such problems in the future.

External accountants audit NIMD's financial administration every six months and the annual account yearly. The annual account is accompanied by an accountant's statement and a management letter for NIMD's Board containing recommendations regarding NIMD's administration and finances. The annual account and the management letter are discussed in a Board meeting each year before being presented to the Ministry of Foreign Affairs.

NIMD's treasurer meets every quarter with the director and the financial manager to discuss NIMD's financial and administrative policy and the money spent and received. The treasurer reports periodically to NIMD's Board about the organization's finances.

In meetings with accountants and the treasurer, special attention is paid to the **chance of fraud** in spending NIMD funds. As of the annual audit of the 2005 bookkeeping year, the guidelines for the accountant's audit have been sharpened with regard to identifying possible fraud in the inspections that have yet to be done. Risks are kept to a minimum by using specific checks and questionnaires relating to the entire administrative organization and ICT; where necessary, recommendations are made. This will remain an important point of priority in the coming planning period, and NIMD will further adjust its management tools if new tools become available or if there is a need to change.

6.1.6 Staff policy

In the period 2007-2010, NIMD will continue to work to increase the professionalism of its staff, especially in the areas of political analysis and knowledge of both institutional development and development cooperation. In addition, training sessions and refresher courses in modern languages will also be organized for staff members.

Since NIMD is too small for a staff council, a staff representative will be appointed as of 2007 for periodic consultation with the directors. As of that same year, a social annual report will also be produced.

NIMD strives to have its staff reflect the diversity of Dutch society. Efforts will be made to attract women and members of minority groups to NIMD's work at various levels of the organization. Staff selection will not be limited to Dutch citizens but will be open to experts from other European countries or from countries in which NIMD is active.

Finally, NIMD has available several internship positions for postgraduate students from – in principle – the programme countries and regions in which NIMD operates.

6.2 Budget

6.2.1 The budget for the period of the multi-annual programme 2007 - 2010

Budget 2007 - 2010

	Revised budget 2006	Multi-annual programme 2007 - 2010				
		Budget 2007	Budget 2008	Budget 2009	Budget 2010	Total
<u>Country programmes</u>						
Mozambique:	350.000	450.000	450.000	350.000	300.000	1.550.000
Tanzania:	450.000	500.000	500.000	550.000	550.000	2.100.000
Zimbabwe:	400.000	350.000	400.000	400.000	400.000	1.550.000
Zambia:	350.000	500.000	500.000	400.000	400.000	1.800.000
Malawi:	450.000	500.000	500.000	550.000	550.000	2.100.000
Ghana:	665.000	700.000	700.000	600.000	500.000	2.500.000
Mali:	500.000	550.000	550.000	500.000	500.000	2.100.000
Guatemala:	700.000	750.000	750.000	600.000	500.000	2.600.000
Bolivia:	400.000	600.000	500.000	400.000	400.000	1.900.000
Surinam:	210.000	300.000	300.000	300.000	300.000	1.200.000
Indonesia:	800.000	700.000	900.000	1.000.000	1.200.000	3.800.000
South Africa:	100.000	100.000	100.000	150.000	150.000	500.000
Kenya:	700.000	700.000	750.000	750.000	700.000	2.900.000
Improvements to current programmes	200.000	0	250.000	500.000	750.000	1.500.000
<u>Regional programmes</u>						
East and Southern Africa	450.000	450.000	600.000	650.000	800.000	2.500.000
West Africa	350.000	450.000	550.000	650.000	800.000	2.450.000
<u>Multilateral/Bilateral programmes</u>						
	250.000	350.000	350.000	350.000	350.000	1.400.000
Total Countries	7.325.000	7.950.000	8.650.000	8.700.000	9.150.000	34.450.000
New programmes			1.300.000	1.800.000	2.800.000	5.900.000
Evaluation	75.000	75.000	75.000	125.000	75.000	350.000
National & international networks	250.000	200.000	200.000	200.000	200.000	800.000
Knowledge centre		50.000	50.000	75.000	75.000	250.000
Communication		50.000	50.000	50.000	50.000	200.000
Management IMD organization	1.500.000	1.487.486	1.510.776	1.560.899	1.609.873	6.169.034
Management MP Programme		232.220	311.364	320.092	328.993	1.192.669
Dekking uit MP Programma		-340.000	-375.000	-415.000	-455.000	-1.585.000
Total Management	1.500.000	1.379.706	1.447.140	1.465.991	1.483.867	5.776.703
Party coordinators	325.000	550.841	561.858	573.095	584.557	2.270.350
Total expenditures	9.475.000	10.255.547	12.333.998	12.989.086	14.418.423	49.997.053
Country programmes in % of total expenditures	77,3%	77,5%	80,7%	80,8%	82,9%	80,7%
Management in % of total expenditures	15,8%	13,5%	11,7%	11,3%	10,3%	11,6%
Party coordinators in % of total expenditures	3,4%	5,4%	4,6%	4,4%	4,1%	4,5%
Miscellaneous costs in % of total costs	3,4%	3,7%	3,0%	3,5%	2,8%	3,2%

6.2.2 Prognosis of financing (extra-budgetary) with external funds 2007-2010

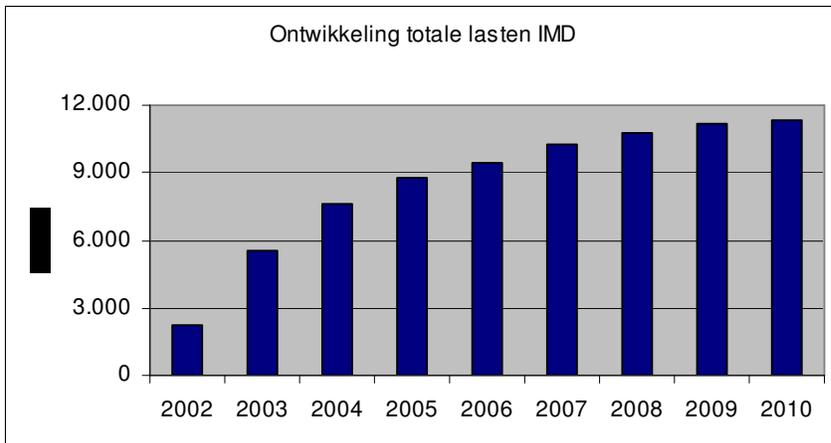
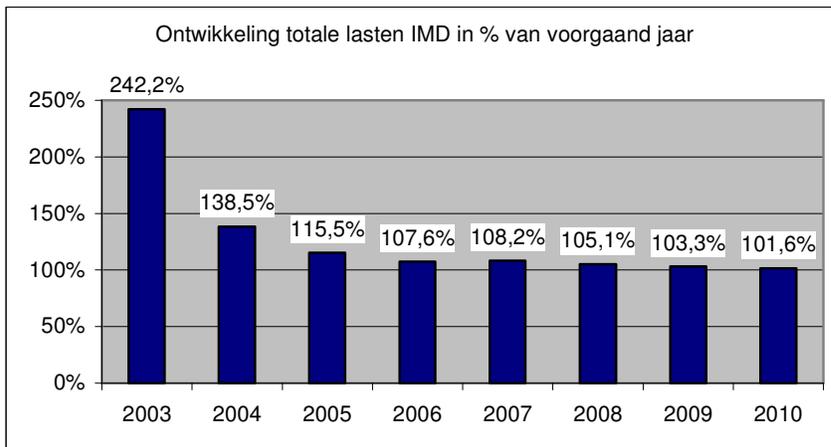
Prognosis of financing from external funds 2007 - 2010

	Revised budget 2006	Prognosis volume of programme turnover 2007 - 2010				
		Budget 2007	Budget 2008	Budget 2009	Budget 2010	Total 2007-2010
Total fictieve lasten IMD						
Budget IMD per year	9.475.000	10.255.547	12.333.998	12.989.086	14.418.423	49.997.053
Additional funds in IMD Programme countries						
Additional financing (as % of total incl volume turnover)	0%	2%	4%	5%	5%	
Additional financing	0	241.307	609.086	865.939	961.228	2.677.561
Total regular programme countries	9.475.000	10.496.854	12.943.084	13.855.025	15.379.651	52.674.613
MP programme countries *)						
Growth in volume turnover (as % of total costs incl)	11%	13%	15%	20%	20%	
Total volume turnover in MP programme	1.389.667	1.568.495	2.284.074	3.463.756	3.844.913	11.161.238
TOTAL VOLUME TURNOVER IMD BUDGET	10.864.667	12.065.349	15.227.157	17.318.781	19.224.564	63.835.851

*)The MP unit currently has programmes in Nicaragua, the Andean region, Georgia.

Expansion to Moldova, Burundi and a thematic Media & Politics programme will take place in the course of 2006

6.2.3 The development of NIMD programme-related costs in the period 2002 - 2010



6.2.4 Underlying principles of budgeting

1. The budget presented in 6.2.1 is the request for subsidy submitted to the Ministry of Foreign Affairs and includes all of the expected income and expenditures for the period 2007 – 2010;
2. By means of strategic partnerships with multilateral organizations, NIMD will function as an increasingly important driving force, and its impact – the implementation of its three major objectives – will grow considerably. Because the multilateral partners are responsible for the management of the funds, this larger impact will be reported in the volume of business that these programmes will produce (extra-budgetary funding). It is expected that, as of 2009, this will account for 25% of NIMD's total turnover. This is the turnover from the regular programme funded by the Ministry of Foreign Affairs and the turnover in programme volume realized by NIMD in its strategic partnerships;
3. As shown in 6.2.2, the programmes supported by the NIMD Multilateral Programme (MP) will have an expected turnover of 20% as of 2009. NIMD's management expenses for this programme are reimbursed by the programme's management fees, which are paid for by the multilateral partners, and are included in NIMD's budget. As the figures show, this produces modestly positive results with regard to NIMD's management expenses.
4. In this planning period a change is expected in a number of regular programmes. That is to say that it is expected that the success of the programmes will be translated into strategic partnerships, so that increased expenditures can be financed by other sources and NIMD's contribution can be consolidated or decreased. The programmes and the years in which this change is expected are highlighted in the budget presented in 6.2.1. By the end of this planning period, it is expected that these strategic partnerships and NIMD's role as driving force will result in an extra volume turnover of 5%.
5. NIMD strives to spend between 75% and 80% of the budget on the implementation of the programmes. Direct management costs amount to 16.1% on the basis of the € 50 million budgeted for the regular programmes and 12.6 % on the basis of the total turnover of € 63.8 million that can be realized (budgetary and extra-budgetary) in the planning period.
6. In 2010 the relationships with the parties in 80% of the current NIMD countries will be shaped according to performance-based support. Agreements will have been reached with local parties about the substantive and administrative criteria for performance-based support. This will be coupled to a clear system of sanctions and bonuses and monitored in each programme country.
7. Continuous financing will be coupled to adequate financial and substantive reports. Financial reports will be examined yearly by external accountants in the country in question.

6.2.5 Evolution of programme expenditures

Regular NIMD programme

The institutionalization of interparty dialogue and cooperation within NIMD's programmes in the Centres for Multiparty Democracy or Forums of political parties has had an important effect on the continuity of programme implementation and the growing absorption capacity of the local NIMD partners. The national agendas and the strategic plans of the political parties are gradually expanding from a national central level to the districts, the decentralized level, in the programme countries. New activities have also been stimulated by the growing emphasis on the inclusivity of all population groups. This especially positive development involves increased expenditures in the programmes, but the success of the programmes will also lead to strategic cooperative efforts that will make it possible to finance these expenditures by third parties. That is why a change in expenditures has been planned. An extra-budgetary contribution of 5% is expected as of 2009.

NIMD Multilateral Programme (MP)

The multilateral programme has the task of implementing programmes with external funding. NIMD provides the management, programme coordination and specific knowledge needed to work with political parties in new democracies and it also develops the analytical guidelines and monitoring instruments for this work. NIMD is actively searching to establish strategic partnerships with multilateral and bilateral organizations. This is already the case in the existing multi-annual programmes in Nicaragua with the UNDP and in Georgia with the OSCE, in new cooperative efforts with both organizations elsewhere and in future plans for current IMD/country programmes. Here too, the principle of shared financial and programmatic responsibility with other organizations will be introduced in the planning phase. The MP unit, in close cooperation and agreement with the regional teams, is responsible for generating the extra-budgetary income. Based on the positive experiences of and requests from our strategic partners to expand these cooperative efforts, a volume turnover of 20% of NIMD's budget is expected as of 2009.

6.3 Budgeting the involvement and contributions of political parties

The extra value of the Dutch political parties participating in NIMD lies in such areas as their knowledge of the selection procedures for political candidates, their skills in debating about political choices, forming governments or opposing government plans, drawing up election campaigns and government programmes, organizing party functions, channelling the relationships between politics, government and civil society, maintaining relationships between politics and the media, etc. NIMD can call upon politicians with years of experience in the workings of the Dutch multiparty political system at all of its different levels. Further, NIMD can also call upon politicians with a great deal of experience in diverse areas of policy making that are important in giving content to young democracies.

Providing expertise is an important element in the implementation of NIMD's programmes. In principal, such expertise is supplied only at the request of NIMD's partners and if it is judged to be functional in implementing their agendas. Contributing knowledge makes NIMD visible and has proven to be the most effective means of anchoring support for NIMD's mandate among Dutch politicians.

Almost all of the expertise from the political parties is provided free of charge. Nevertheless, these contributions can be quantified on the basis of the rates used in the commercial sector. It is expected that the more the country and regional programmes consolidate and the more the agendas of reform become more comprehensive, the demand for Dutch and European politicians will increase.

Unlike expertise that can be quantified, the relationships of trust that Dutch politicians enjoy with their peers in NIMD programme countries cannot be expressed in numbers. These relationships are with politicians both in the ruling parties as well as in the opposition. This trust gives NIMD privileged access to all of the players in the political process and constitutes NIMD's political and social capital. On the basis of this capital, politically sensitive processes of change can be discussed and a commitment can be made to actually implement the changes. This trust is invaluable.

NIMD is actively managed by representatives of the participating political parties. They receive a modest fee for their managerial responsibilities but they receive no financial compensation for the many hours that they spend in carrying out these responsibilities. Here again, their efforts can be translated into money on the basis of commercial rates.

To develop a good basis for fixing the rates for the expertise provided by IMD, NIMD has asked the advice of qualified external office, namely the management advice offices of Berenschot. The rates used are based on their advice and are in agreement with accepted market prices.

In addition to their expertise, the political parties participating in NIMD provide free use of their channels of communication such as websites and party publications. As a result, party members can be informed about the progress of NIMD programmes, which helps to increase their support for IMD. The value of this contribution cannot be qualified exactly and has therefore been estimated.

Another valuable contribution made by the political parties is the enthusiasm of their youth organizations. Here again, their participation is free of charge, but an estimate of the value of this contribution has been made.

NIMD does not receive membership fees from the participating political parties. The Dutch political parties are subsidized by the Dutch government for their activities. It would not be correct to use these funds for an organization that is subsidized by other government monies, even if this were possible given the subsidy regulations.

The contribution of the political parties is given in the following table:

Contributions of political parties 2007-2010									
Activity	Number of days	€ 2007	Number of days	€ 2008	Number of days	€ 2009	Number of days	€ 2010	Total amount
Political ambassadors: members of Board and Supervisory Board	168	72,374	168	72,374	168	72,374	168	72,374	289,496
Political advisors: expertise from political parties	180	432,000	190	456,000	200	480,000	210	504,000	1,872,000
Knowledge centre	45	45,000	50	50,000	55	55,000	60	60,000	504,000
Political youth organizations	100	20,000	120	24,000	140	28,000	160	32,000	104,000
Use of channels of communication of Dutch political parties		pm		pm		pm		pm	pm
Political and social capital of Dutch political parties		pm		pm		pm		pm	pm
Total	435	646,220	454	682,220	474	718,220	494	754,220	2800880

Explanation:

- Estimates of time spent by members of NIMD's Board and Supervisory Board were made generically. They are considered to be political ambassadors in the Berenschot report.
- A supplementary fee was used to estimate the value of party contributions to the Knowledge Centre. The relevant knowledge will be regularly provided by academics who are connected with political parties. The monetary value was set at EUR 1000/day.
- The extent of the participation political youth organizations was estimated by them to be at least 200 days per year. NIMD estimated the monetary value to be EUR 200/day.

Annex I: The Hague Statement

Introduction

The practice of democracy and the struggle against authoritarianism belong to the core of what is often considered to be a somewhat elusive European identity. The vocation of the European Union was and is to consolidate peace in Europe through the adherence to democratic values and practices. The historic expansion of the EU with 10 new EU members on May 1 of this year is a further expression of this key European objective.

The new EU Constitution, a new EU Commission, the recently elected new European Parliament and a new European Security Strategy in the making in response to the post-9/11 world all created the momentum to reflect on the importance of democracy assistance within Europe's external policy¹ in a Europe-wide conference. They also created the opportunity to consider ways of making that democracy assistance a more important and relevant European external policy instrument in the quest for peace, stability and social justice in the world. The awareness that Europe itself is confronted with the challenge of revitalizing and deepening democracy and citizen participation at home makes this quest even more urgent.

The participants at the conference resolved to bring the outcome of these reflections as formulated in this statement to the attention of the EU external policy institutions, the European Parliament and the democracy assistance agencies in Europe and to ask them to act upon the specific recommendations contained in this conference statement.

Why enhancing Europe's profile?

Europe has been building the normative and operational foundations for integrating democracy assistance as a key component of its external actions. This has led the EU to support a wide variety of democracy initiatives in an equally varied group of partner countries, involving a plurality of public and private actors in the process. However, there was a broad consensus among participants that the European profile in democracy assistance, including its underlying values and features, needs to be enhanced and made more explicit. **Five main reasons** were put forward for such a strategic move:

- ***Democracy is needed for an effective fight against poverty and for sustainable development.*** If properly managed and consolidated, democracy brings the stability that is needed for economic development and the alleviation of poverty (a central objective of EU development policy and of the UN's Millennium Development Goals). Democracy also provides the institutional setting for the guarantee of human rights.
- ***Connecting the democracy and security agendas.*** With the world facing new security challenges, an ever widening gap between the rich and the poor and global warming resulting in substantial environmental shifts, no citizens can safely hide behind national borders. The world is an interconnected space in which human security can be obtained only through democratic governance responsive to the needs of the population at large and through applying and enforcing commonly accepted international law. From this perspective it is in Europe's self-interest not only to guard and treasure the consolidation of democracy within Europe but to also actively pursue the promotion of democracy as a means to prevent violent conflict in all its different institutional manifestations².

¹ Wherever the statement refers to "EU external policy" it includes the EU Common Foreign and Security Policy, the new EU Security and Defence Policy, the EU Development Policy, the EU External Trade Policy and EU Accession Policy.

² The European democratic vocation is in harmony with what citizens in Europe expect from the European Union. In a recent poll of the Eurobarometer, 89% of the respondents mentioned that 'maintaining peace and security in Europe' is a priority for the EU. It is remarkable that over the last 10 years, Europeans have shown a steady support for a common

- ***Europe has much to offer.*** The European Union has succeeded in bringing a diversity of nations together under a wider umbrella that assures peace and prosperity for its peoples. After centuries of violent conflict, Europe has built peace and new supranational constructs that peacefully regulate conflicts of interest and facilitate integration. It has a long and diversified tradition of civic engagement, public-private dialogue and parliamentary supervision. These processes continue to be under construction. Democracy requires permanent maintenance, and this is an experience assumed valuable for sharing with partners elsewhere in the world.
- ***Complexity of democracy assistance.*** Experience has confirmed the complexity of providing effective democracy assistance in support of societal transformation processes that also improve the day-to-day life of citizens. If change is to be achieved, the European Union needs a much bolder, integrated and coherent approach to democracy assistance. It has to close the gap between occasional policy dialogues at the macro policy level and administering project funding at the micro level. It needs to upgrade partnership approaches, enhance flexibility in response to reform opportunities and be inclusive and consensus-seeking in its delivery. At the same time it requires a much better connected and professionalized community of European democracy-promotion agencies with structured links between the official policy levels and the civil society agencies and actors to obtain complementary efforts.
- ***Clarifying Europe's own identity in order to revitalize democracy at home.*** The contribution the European Union could make to democratic transformation processes is important not only for countries abroad. It can also help to clarify what the European Union stands for in a globalized world, to sharpen its identity and values and to engage in a collective search to strengthen the democratic foundations of the European Union in a constantly evolving political and socio-economic setting.

What is the content of Europe's democracy assistance?

The European experience includes the following seven distinct features that are valuable reference points (points of departure or guiding principles) for an emerging European Union identity in democracy assistance:

- ***variety in social and political organization***

The absence of uniformity and the rich diversity in institutions and procedures is an important reference in democracy assistance. Variety in social and political organization matters in furthering democracy. A European approach can therefore be distinctive in sharing a range of experiences and by being relatively inclusive. Because of its unique position, it can avoid 'one-size-fits-all' approaches or solutions.

EU foreign and defence policy of 65% and 70% respectively. It underscores the European citizens' interest in making democracy promotion the core business in Europe's external policies.

- ***democracy – social justice nexus***

The European experience in linking the evolution of democracy with social justice is relevant beyond Europe's border together with the experience obtained in addressing the new challenges that globalization poses to this linkage. Economic liberalization has to be shaped to lead to economically, ecologically and socially sustainable development and prosperity in order to strengthen and consolidate young democracies and to make democratization of authoritarian regimes more likely.

- ***democracy is work in progress***

The paradox or enigma of the European Union is the habit of moving forward while continuously questioning the rationale of its existence. This has resulted in pursuing democracy as a concept and an institutional framework that is continuously under scrutiny and remains under construction.

- ***peaceful transition through dialogue***

The peaceful and successful transition in the former East and Central European countries is a further asset in European approaches, strengthened by the recent accession of the new EU member states. Democratic outcomes have been achieved partly through the application of multi-stakeholder participation and dialogue.

- ***human rights and the rule of law***

The European profile in democracy assistance is significantly shaped by a strong focus on the human rights component as well as by the importance of the rule of law in protecting these rights. The EU's profile is characterized by four specific features that should be further enhanced in designing democracy assistance policies: a) the multilateral or internationalist role conception; b) integration of economic and social rights; and c) the emphasis on gender equality; and d) the principle of non-discrimination with regard to minorities.

- ***democracy assistance preferred over conditionality.*** The European approach favours positive support to countries engaging in democratic reforms rather than the imposition of political conditionality. However, the EU is and should be prepared to apply subtle forms of conditionality when required or to suspend cooperation agreements if human rights have been violated or democracies interrupted. Dialogue, however, is the mechanism favoured to resolve such occurrences.

- ***regional context and supra-national institutions***

In pursuing and consolidating democracy, the importance of the regional context is taken into account, recognizing the importance of adherence to the rule of law and the use of supra-national institutions to effectively apply the rule of law.

How can the European profile be enhanced?

The recommendations that emerged from the reflections at the European-wide conference are targeted at three main European stakeholders in advancing democracy throughout the world: the European Union, the European Parliament and the independent democracy assistance agencies within Europe, part of European civil society. While specific recommendations are presented below for each key actor separately, their effective realization will require inter-institutional dialogue and collaboration between all of them.

1. Agenda recommendations for the European Council and Commission:

1.1. ***democracy assistance should be a core business of the EU's external policy***

Democracy assistance is considered a strategic interest for the EU. It should therefore be a central and visible pillar in the new EU foreign and security (defence) policy as an expression of Europe's core vocation and of the interests of European citizens. This assistance can be based on the 2003 Solana EU security paper that states, 'the best protection for our security is a world of well-governed democratic states'. The implication is that democracy assistance should not be subservient to other European foreign policy interests and that its value should be equal to the share of human and financial resources spent by the EU in the pursuit of external policy objectives.

1.2. concerted and coherent approach to democracy assistance by EU member states and European Commission (EC)

The centrality of democracy assistance in EU policies and actions has to be ensured. This can be achieved by increasing the coherence in democracy and overall assistance and the correct policy mix for different countries and regions. The EU should consider assigning this responsibility to a specifically dedicated mechanism that facilitates a common analysis of the democratic reform agendas of EU partner countries and the assistance required for these agendas. This dedicated mechanism could also become the EU's instrument for cooperative policy making between such intrinsically linked areas as governance, human rights, conflict prevention, peace building and the mainstreaming of democracy in development cooperation and anti-poverty programs.

1.3. domestically owned democratic reform agendas

Much has been undertaken by the EU during the past years to put in place basic provisions for democracy support abroad. The EU May 2001 Communication on "The European Union's Role in Promoting Human Rights and Democratization in Third Countries" sets out to "permeate all Community policies, programs and projects" with human rights and democracy strategies. The European Parliament launched the "European Initiative for Democracy and Human Rights" (EIDHR). These important frameworks require a further qualitative overhaul of what has essentially remained fragmented, inconsistent and ad hoc project approaches to complex democratization processes. Through national dialogue processes a long-term, inclusive and flexible engagement is needed to support the advancement of democracy. Partner countries should be supported in the development of democratic reform agendas that should guide future EU democracy assistance programmes.

1.4. include the missing link of political society

Much democracy assistance has refrained from engaging political society (political systems, political parties and the nexus between political parties and civil society) in the democratic reform processes. Political society is the essential link between state institutions, civil society and the market. It should have an important place in EU democratization strategies that should be focused on strengthening the four sectors (state, civil and political society and the market) in an integrated manner.

1.5. a multi-sectoral approach

The approach to democracy promotion should be multi-sectoral, careful not to either neglect or overemphasize various levels of democratization. Decision-making on the relevance of various sectors in a specific country context should emerge out of national dialogue.

1.6. gender equality and the promotion of political participation of women

The democratic deficit from excluding women from various decision-making democratic institutions should be overcome by introducing specific mechanisms.

1.7. applying the principle of subsidiarity in the EU democracy assistance policies

European political society, in particular the political party foundations in Europe, maintain relations with political stakeholders in EU partner countries that can and should effectively be used for the advancement of democracy reform agendas. This strength should be positively utilized in the future. Regular consultations between EU policy makers and the democracy promotion foundations in Europe are required to enhance Europe's profile in democracy assistance and to share lessons learned. Mechanisms to this effect should be established, such as a trans-institutional consultation network between the major state and non-state actors in Europe involved in democracy assistance.

2. Agenda recommendations for the European Parliament:

2.1. ***Supporting implementation of the EU agenda recommendations***

The European Parliament is requested to provide full support for the recommended EU agenda suggestions listed in the previous section as appropriate under the European Parliament mandate.

2.2. ***Reviewing the European Initiative for Democracy and Human Rights (EIDHR)***

EIDHR was introduced by the EP over ten years ago and constituted a milestone in European democracy assistance. Given the complexities of supporting democratic reform processes, the new EP is requested to review the EIDHR. This would aim at consolidating lessons learned and preparing a next generation initiative that will be equipped to facilitate an enhanced European profile in democracy assistance.

2.3. ***Establishing a public space for the discourse on enhancing European democracy assistance***

The EP is invited to support a regular public-private dialogue about strengthening Europe's democracy assistance efforts. This would facilitate joint stock-taking of progress achieved in mainstreaming democracy; promoting joint learning - including on relevant indicators of impact -, assessing progress achieved with the effective promotion of gender equality and helping to systematically adapt intervention strategies to evolving needs.

2.4. ***EU democracy assistance instruments***

Democracy support requires operational instruments and procedures that can respond to newly arising opportunities for reform processes, be sustained over longer periods of time and answer to nationally formulated reform agendas. However, the current administrative provisions within the EU seriously constrain an enhanced European profile and the strategic application of available resources. The EP is requested to address this perceived gap and take the necessary initiatives to legislate the introduction of appropriate new procedures and instruments.

2.5. ***Universal democracy support***

European Union support to democratic reform processes should be applied to all countries that entered partnership agreements with the EU, avoiding double standards in Europe's external policies.

3. Agenda recommendations for the democracy assistance agencies in Europe:

3.1. ***sharing the challenge of change***

The European agencies involved in democracy assistance share the challenge of introducing change to enhance Europe's profile in democracy assistance. The agencies active in this field will need to engage each other more actively to share lessons learned in democracy assistance, to share expertise, analysis, results and evaluation and to provide increased coherence in approaches based on the reference points that constitute the European identity as elaborated in this statement.

3.2. connecting at the European level

An increased engagement at the European level should result in the growth of a society or association of European democracy assistance agencies that will be able to become a partner in a regular and multi-actor consultation process with the EU policy-making institutions and act as a European civil society advocate in shaping and implementing EU policies and instruments in the field of democracy assistance and to mainstream democracy in EU external policies.

3.3. connecting with partners abroad

To enhance the European profile, agencies will consider taking shared responsibility for establishing dialogue processes about democratic reforms with stakeholders in other regions, such as the Arab world, regions of Africa, Latin America and Asia. The outcomes of these dialogues should help to analyze the support programmes of the agencies and be used as policy input at the policy-making levels within Europe. The platforms will serve to build strategic partnerships with stakeholders involved in moving democratic reform agendas forward. An additional regular dialogue will be established with partner organizations in North America with the objective of sharing lessons learned and aligning policies and approaches. The moderation and organization of these dialogues can be shared amongst the agencies participating in the growing European society of democracy assistance agencies.

3.4. the way forward

Within the next six months the steering committee that organized the European Conference will prepare an action plan based on the recommendations in this statement. The action plan will be submitted to the participating democracy assistance agencies for their consideration and consent. The Westminster Foundation for Democracy is invited to facilitate a further European conference at the beginning of the British EU Chairmanship in order to review the progress in the implementation of the recommendations in this statement and to discuss follow-through initiatives.

Annex II: Partnership Charter

Goal of the NIMD Programme

The goal is to promote and consolidate multiparty democracy by strengthening and supporting political parties as the building blocks of democracy.

This is done either directly (to the individual political parties) or indirectly (through the various Centres and intermediate structures).

This goal takes as its foundation the link between democracy and development, believing them to be two sides of the same coin. Democracy contributes to development, and without development, democracy can have only limited significance.

At the core of this programme is the centrality of political parties as the building blocks of democracy and the promotion of development; thus, the programme's main goals are to strengthen political parties in order to build and consolidate democracy and to promote development as a necessary corollary.

What is Partnership?

Partnership is the concept of working together in a cooperative spirit, combining resources and efforts to achieve a shared objective that results from a common interest. It is a joint venture between two or more willing and equal entities bound by a common purpose. It requires the pooling of resources, skills and talents in a community that is employed in pursuit of this common goal.

As an organizing principle, true partnership requires the partners to be animated by a shared vision. Its watchwords are: *mutual respect, shared ownership, joint decision-making, dialogue and exchange*. By definition it involves autonomous entities working together for their common good. All of these are underwritten by a sense of shared responsibility and, more importantly, by a sense of shared trust and they are consolidated by mutual control.

Trust oils the cogs of partnership and reduces the risk of friction between the partners; without it, the breakdown of partnerships is inevitable. But trust cannot be taken as a given; it has to be created, demonstrated and constantly nurtured by the burden of proof, or it will perish. Control can serve to forestall the misuse of trust.

Why Partnership?

This Charter Partnership is the preferred operational relationship between NIMD and its associates because it implies a joint and equal effort, responsibility and benefit. It goes beyond the donor-recipient relationship that has so often characterized the interactions between associations of this nature.

Partnership allows for the combination of resources/skills in order to maximize learning and the sharing of ideas and expertise. It also furthers the development of networks that allow for an exchange of ideas and the pursuit of common goals.

Why the need for a charter?

To strengthen the relationship between NIMD and its partner organizations in order to:

- facilitate both planning and action;
- minimize possible misunderstanding and conflict;
- create a relationship of equals, based on mutual trust and respect;
- function as a guide in a time of disagreement or conflict.

Who are the partners?

The partners/stakeholders are:

- the Netherlands Institute for Multiparty Democracy (IMD);
- the political parties in the various countries that the programmes support;
- the various Centres, NIMD country representatives and national consultants that co-ordinate and facilitate the NIMD programmes in various countries;

- the Dutch political parties that mandated NIMD to carry out this programme.

The Partnership Pledge

The partners in the NIMD programme jointly and severally pledge the following:

- To treat each other with the respect that partners deserve, including:
 - the leeway to disagree, without becoming disagreeable,
 - to eschew the traditional donor-recipient relationship that breeds a cycle of dependency which compromises the autonomy of the recipient;
 - to interact in a partnership of equals;
- To work together toward the achievement, maintenance and consolidation of democracy, by means of empowering and strengthening political parties ;
- To facilitate and encourage the inclusivity of marginalized groups, especially women, youth and the disabled in the programme, the party and in our societies;

The *NIMD* pledges to:

- Provide resources (including human resources, skills-training, materials, and funding) within the limitations of its own budget and other constraints for the planning and execution of programmes;
- Ensure that funds on which contractual agreement was reached are disbursed to partners in a timely fashion, so as to allow for the timely execution of programme activities;
- Allow political parties collectively to own the process of democratization within their respective countries, provided this falls within the parameters of this Charter;
- Be the final arbiter, after due consideration of budgetary and other resource constraints, of the bilateral, country and regional programmes submitted to it for funding each year:
 - Where problems arise in this respect, to communicate these to the partners concerned in the spirit of partnership and with the view to resolving these amicably ;
- Provide guidance and strengthen political parties and coordinating Centres, where this is needed, requested and possible;
- To act, at all times, in a spirit of partnership, transparency, equality, consultation and mutual respect toward the other partners.

The *Political Parties* pledge to:

- Take ownership and responsibility, together with the country representatives and coordinating Centres (where these exist) for the planning, development, direction, content, and execution of the country programmes;
- Ensure that programme activities (especially the bilateral activities funded through the NIMD programme) and the required reports are completed in a timely fashion as contractually agreed;
- Fully account for the expenditure of funds provided by NIMD for the planning and execution of bilateral programmes;
- Act, at all times, in a spirit of partnership, transparency, equality, consultation and mutual respect toward the other partners.

The *Coordinating Centres, other intermediate structures* and *NIMD country representatives and consultants* pledge to:

- Be a conduit between the NIMD and participating parties and act in a spirit of good faith and partnership in this respect;
- Be an organizing, facilitating and executing resource for political parties and the NIMD in the planning, resourcing and execution of the bilateral, country and regional programmes;
- Provide advice, guidance, and facilitation of the various programmes, throughout the various stages (including planning, organization, logistical provision and execution);
- Take responsibility for arranging research capacity, resource persons and logistical support needed to maintain and implement the various programmes;

- Fully account for the expenditure and use of NIMD funds and other resources allocated to them;
- Act, at all times, in a spirit of partnership, transparency, equality, mutual respect, consultation and accountability toward the other partners.

NIMD – Partnership Conference
The Hague, June 2005

Annex III: Programme fact sheets

This annex is available at NIMD as a separate document.

Annex IV: Objectives and programme countries and regions

This annex is available at NIMD as a separate document.