

Helpdesk Research Report: Multi-donor Funding for Elections in Post-conflict or Fragile States

Date: 08/07/08

Query: Please provide examples of good practice in multi-donor funding for elections in post-conflict or fragile states (e.g. pooled or basket funding arrangements). What areas of activity have these funds supported? How were they governed and co-ordinated?

Enquirer: DFID Afghanistan

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1. Overview

Donor funding for elections is increasingly delivered through pooled funding mechanisms commonly known as 'basket' funds, whereby a number of donors jointly fund an agreed set of activities. Basket funds broadly aim to enhance the quality of electoral assistance by increasing donor co-ordination, simplifying management arrangements, and reducing duplication of effort. They are also seen as an important demonstration of consensus among the international community.

Basket funds have to date often been administered by UNDP, as was the case in Congo, Tanzania, Sierra Leone, Nigeria and Togo. There is a large degree of commonality in the activities basket funds have supported, and in how they have been governed. The main activities have been: technical assistance to the Electoral Management Body (EMB), voter registration, voter education, election monitoring, and support for civil society. The basket fund in Congo also included a programme to promote peace and ensure the security of individuals and goods during the electoral process. In Congo and Nigeria, the fund also supported the increased participation of women in the electoral process.

Basket funds usually operate with a two-tiered management structure: a policy or technical oversight committee (Steering Committee) to ensure the project remains on track and on budget, and a day-to-day Programme Management Unit (PMU) to implement the project at the technical level. The PMU reports to the Steering Committee, which usually includes contributing donors, the EMB and representatives from civil society. In addition, wider consultation and co-ordination with donors, civil society and other parties who are not contributing to the basket fund is often facilitated through a stakeholder forum. The development of basket funds frequently involves the signing of a Memorandum of Understanding in addition to contribution agreements.

There is a limited amount of information available online regarding the degree of success in implementing basket funds; and the majority of the information available is in the form of

short project documents, which do not contain critical analysis. It is therefore difficult to identify 'good examples'. An independent evaluation of the basket fund for the Pakistan electoral cycle has recently been conducted, but hasn't yet been released. Some experts have suggested that some funds have experienced weak coordination and consensus among participating donors, limited involvement of key stakeholders, and/or weak communication among the various international actors. Other implementation problems have included poor time management and drawn-out recruitment processes. In spite of these challenges, some experts have suggested that Pakistan, along with Tanzania and Togo, were successful cases. The fund in Bangladesh was seen to be particularly vital because it allowed for flexibility in responding to unanticipated opportunities and changing circumstances.

Whilst there is little consolidated 'lessons-learned'-type material available, it has been suggested that the following factors could contribute to the effective management of basket funds in different contexts:

- A separation of roles between those managing the fund, chairing the donor group, and leading dialogue with government. In Tanzania, UNDP ran the fund whilst the UK chaired the donor group, which ensured that a conflict of interests was avoided during project implementation. In Nigeria, all interaction between the fund and the national EMB was left to UNDP, which was also acting as the implementing partner, and this led to difficulties.
- An early, concerted assessment to define appropriate components of the basket, conducted by a team of independent interdisciplinary experts. This assessment should be based on consultation with key local and international stakeholders, and should determine the priority needs related to the interconnected activities of peacekeeping, democratization and development.
- Timely and frequent reporting on behalf of the PMU. This is important for enhancing trust among the donor community. In Nigeria, the Steering Committee had very limited scope for strategic review. Donors felt that they lacked sufficient information on programme developments to allow them to identify and address challenges. Donors need to stay actively involved, and the PMU should not become a buffer between donors and the elections process.
- Donors should be well versed in their own financial rules and regulations in order to avoid pitfalls in the disbursement of funds. Using an international accounting firm to disburse and account for funds can also be useful.

It is notable that often donors contributing to basket funds also separately fund their own programme/s in parallel (mixed funding). There seems to be consensus that this approach is beneficial in that it still brings the advantages of pooled funding, but also allows the donor some flexibility.

2. Key Documents

General

- Maguire, L., 2007, 'Election Baskets and Lessons Learned', United Nations Development Programme
See attached Word Doc entitled 'Election Baskets and Lessons Learned'

This paper summarises lessons learned from UNDP-managed basket funds, drawing on experiences in Tanzania, Nigeria, DRC and Sierra Leone. It argues the main advantages of pooled funding are that it helps avoid delays, eliminates risk of duplicating efforts, and also eliminates the need for a multiple agreements, budgeting and reporting requirements. Pooled funds can also have more impact on specific activities than would be possible through a single funder.

Under the UNDP-managed basket model, funds are either governed by standard cost-sharing agreements or trust fund arrangements. These two options have their relative benefits and drawbacks: cost sharing is more simplified and easier to manage; trust funds provide each partner with separate accounting flexibility.

In the specific case of Tanzania, a Memorandum of Understanding stating the common overarching goals was signed by all contributors to the basket, and supplemented by a UNDP project document. Several factors positively influenced this process:

- Early engagement by UNDP in developing the partnership arrangements and drafting the MoU.
 - Whilst UNDP managed the fund, a different donor (in this case DFID), chaired the donor group, thus avoiding a conflict of interests during project implementation.
 - The proposal was built on lessons learned from previous election experiences.
 - Timely, frequent reporting by UNDP enhanced trust among the donor community.
- EC-UNDP-IDEA, n.d. 'Joint Training on Effective Electoral Assistance: Participant's Manual', European Commission
http://www.ec-undp-electoralassistance.org/index.php?option=com_content&task=view&id=93&Itemid=106

This operational guide to electoral assistance provides some information on pooled financing arrangements, and its benefits, based on the experience of the EC-UNDP Partnership on Electoral Assistance. It recommends that initial discussions with donors about possible financial support for electoral assistance should start during the needs assessment phase.

The choice of financing modality in any given situation is influenced by an assessment of the social, economic and political/electoral development context of the partner country and the respective priorities of the other development agencies involved in the process. Specific considerations are:

- The *degree of control* which the donors wish to maintain over their resources;
- The level at which donors and their partners wish to *engage in dialogue* - policy or project;
- The level of *transaction costs* associated with managing funds.

Pooled funding is beneficial in terms of better donor coordination, management of resources, and recruitment. This is particularly advantageous in situations where electoral assistance has to be delivered fast and efficiently, for example in sudden crises. The other main advantages of a basket fund are:

- "A basket fund arrangement enables a number of development partners to provide electoral assistance in close formal cooperation with each other. The enhanced coordination structure of a basket fund (reflected in the Basket Fund Coordination Committee) helps resolve issues caused by the ad hoc and sometimes disjointed nature of informal collaboration. It assists in providing maximum efficiency in resource use and service delivery, thereby helping to eliminate duplication of efforts and over-supply of certain activities. The basket fund model embraces the advantages of networked linkages and collaboration. Such arrangements provide a common voice and presence for donors in what can be a volatile environment." (p.112)

In EC-UNDP-managed basket funds, a Contribution Agreement is generally produced and underscored in a Memorandum of Understanding (MOU) between all agencies contributing funds to the basket alongside the Electoral Management Bodies (EMBs) and other partners at country level. The MOU should elaborate on expected results and necessary financial and management arrangements. Senior staff in the Project Management Unit (PMU) report to UNDP and other donors through the Steering Committee.

The manual highlights there are important success stories of EC electoral assistance that are the result of mixing financing modalities. The standard mixed modality involves contributions to multi-donor basket funds on the one hand, and parallel funding for implementing specific

projects on the other. “This allows for various degrees of control and allows for engaging in dialogue with partner countries at different levels and with different actors according to the situation.” (p. 100) This option still requires coordination with other donors on the implementation of the main electoral tasks while leaving the donor free to pursue other objectives, for example assisting non-state actors and supporting civil society. Other typical forms of parallel assistance include the provision of technical assistance or grants to domestic observation groups or media monitoring organizations.

- UNDP, 2007, ‘Electoral Assistance Implementation Guide’, United Nations Development Programme
<http://www.undp.org/governance/docs/UNDP-Electoral-Assistance-Implementation-Guide.pdf>

This guide describes how UNDP plan, formulate, monitor and implement electoral assistance using the ‘electoral cycle’ approach (whereby elections are approached as an ongoing cycle rather than a one-off event). A standard MOU for pooled funding is provided as Annex 5 to the guide (p.129).

Chapter 4 ‘Management and Governance’ (p.72), describes UNDP’s management arrangements for pooled funding. It uses a two-tiered management structure: one tier provides for a policy or oversight committee (normally referred to as a Steering Committee) and the other refers to a day-to-day PMU that can implement the project at the technical level and report to the Steering Committee.

- A Steering Committee usually meets quarterly or monthly (and more frequently if elections are approaching) and is responsible for general oversight of project activities within the basket. This includes financial oversight and approval of funding allocations within the overall budget as recommended by the Programme Management Unit (PMU) (described below). The Steering Committee is facilitated by the PMU, which provides secretariat services and liaises with the Committee chair to prepare agendas, notify members, report on the various project components and provision of minutes. It includes representatives from contributing donors, the EMB and key domestic stakeholders as required (including CSOs). It may be chaired or co-chaired by UNDP, the lead donor, the EMB or a combination thereof. The reports of the Steering Committee can be shared with all donors to the basket.
- The Programme Management Unit (PMU) is the dedicated, technically staffed unit that administers, manages and monitors the overall election project on a day-to-day basis. PMU staff should include experts in electoral management who have experience in the various components of the electoral assistance project — for example, voter registration, civil society, the media, political parties, and/or electoral observation. The PMU should include a dedicated finance and administration officer to record, process, disburse and report income and expenditures on a regular basis.
- These tools are usually supplemented through a Stakeholder Coordination Forum - an overall donor coordination mechanism that includes heads of donor agencies, both those contributing to a common ‘basket fund’ and those contributing to the elections through bilateral or other means. It is often established and co-chaired by the national EMB or at least informed periodically by it. This mechanism, facilitated by the lead donor and/or UNDP Resident Representative on behalf of donors, meets to discuss the evolving political environment, share plans and activities, deliberate issues of common concern, negotiate agreed responses, and analyse emerging needs and risks. The agenda includes an update from the EMB on election preparations and related issues and short presentations from each group on their activities, followed by general discussion on nominated or emerging issues.

Case Studies

Democratic Republic of Congo (DRC)

- UNDP, 2007, 'Support to the Electoral Process in the DRC (APEC)', UNDP, Kinshasa
<http://www.undp.org.cd/Downloads/projetapec.pdf>

This report describes the activities undertaken by the UNDP-managed basket fund to support the electoral process in Congo. The project had three major strategic components:

- Reinforcement of the technical and managerial capacities of the Independent Electoral Commission (IEC);
- Mobilisation and management of the common financial resources of the international community in order to harmonise the interventions from donors and optimize the utilization of the resources;
- Support the IEC in harmonizing activities related to the electoral process so as to ensure a better effectiveness and consistency of the interventions.

Activities undertaken through the basket fund included: electoral registration, results compilation and publication, technical support to electoral law, training, civic and voter education, and electoral observation. Special funding was made available to support women's participation in the electoral process.

- UNDP, 2007, 'Support to Election Security in the DRC', UNDP
<http://www.undp.org.cd/Downloads/projetspec.pdf>

This Project Brief outlines the activities undertaken to promote peace and ensure the security of individuals and goods during the electoral process in Congo. The project was run through the UNDP basket fund to ensure a coherent approach to the training and equipment of police units involved in elections security. It provided an effective coordination platform for training, equipment and logistics before, during and after elections. Particular attention was given to promoting the respect for human rights and political neutrality.

Nigeria

- UNDP, 2007, 'EU, DFID, CIDA and UNDP Provide \$30m Support to Successful Conduct of Nigeria's 2007 Elections', Joint Press release
[http://www.delnga.ec.europa.eu/press%20release/Press%20Release%20-%20EU%20and%20other%20donors%20provide%20\\$30%20million%20to%20support%20Nigeria's%202007%20Elections.pdf](http://www.delnga.ec.europa.eu/press%20release/Press%20Release%20-%20EU%20and%20other%20donors%20provide%20$30%20million%20to%20support%20Nigeria's%202007%20Elections.pdf)

This paper briefly describes the activities of the Joint Donor Basket Fund (JDBF) for the Nigeria 2007 elections. The fund, managed by UNDP, was designed to complement the work of Nigeria's Independent National Electoral Commission (INEC), providing advisory and operational support as and when requested; building human resource capacity; promoting citizen participation and gender equity in the electoral process and support Nigerian Civil Society to observe the electoral process.

The main activities were in the following areas:

- Technical support to INEC: This included engaging IT experts to advise on IT network security and architecture, systems and database management; support to INEC's International Technical Advisory Group; support for staff training; and support for preparation of manual for voters' registration officials.
- Support to stakeholder consultations: The JDBF helped INEC engage various stakeholders' in an active dialogue through supporting various stakeholders' conferences.
- Voters' sensitization: This technical input involved supporting INEC to develop and print information posters for voters, and create publicity around voter registration, voter information, and voter education.
- Citizens' participation & mandate protection: The project funded 15 Civil Society Organisations (CSOs) to perform outreach activities to promote citizens participation. These activities were in the key areas of voter education, gender monitoring, media monitoring and domestic observation.

- Gender equity: Support was given, in partnership with UNIFEM, to enhance women's participation in politics and to mainstream gender in the electoral process.
- Training of ad-hoc staff and police: Support was given for training of trainers for the 2007 Elections, training of ad-hoc staff that would be engaged in elections, and the printing of training and other election materials. The project also arranged for the payment of fees to some categories of electoral ad-hoc staff, selected in a competitive and transparent process.
- Ankut, A., 2007, 'Case Study: Support to Nigerian Electoral Cycle 2006-2011', EC Delegation, Nigeria
See PDF entitled 'Case_Study_Nigeria_Elections_Cycle'

This presentation provides lessons learned from the Joint Donor Basket Fund (JDBF) in Nigeria, discussing some of the implementation challenges faced. It notes there was general agreement by stakeholders that timing and time management were the greatest challenges of the programme, with severe impact on its quality. The effectiveness, efficiency and sustainability of interventions were constrained by several factors:

- All interaction between Independent National Electoral Commission (INEC) and the JDBF was left to the executing agency, UNDP. While INEC commended UNDP for effective relationship-building and communications, donors were more critical. UNDP had a difficult course to navigate, having to accommodate the positions of both donors and INEC. INEC often took positions diverging from those of the donors, which then had to be negotiated in meetings and by means of UNDP shuttle-diplomacy.
- The selection of international experts was a drawn-out process that resulted in the late mobilization of appropriate expertise to manage the programme efficiently.
- Decision-making and consensus-building were major challenges and many compromises had to be made that affected the quality and timeliness of the programme.
- The Steering Committee had very limited scope for strategic review. Donors felt that they lacked sufficient information on overall programme developments that would have allowed them to identify and address challenges.
- Donors initially failed to reach joint positions in Steering Committee meetings and had to set up informal pre-co-ordination meetings to ensure a common stand vis-à-vis INEC.
- The PMU's efficiency was hampered by a lack of time, capacity and strategic guidance. Monthly meetings were held but documents for meetings often came late. There was also late disbursement of grants to civil society organisations.
- UNDP, 2007, Joint Donor Basket Fund to Support Nigeria's 2007 Elections
<http://web.ng.undp.org/projects/governance/jdbf.pdf>

This note briefly describes the expected outputs from the Joint Donor Basket Fund (JDBF) in Nigeria:

- "Structured mechanisms to channel funds and deliver financial and technical support to the electoral process
 - Enhanced INEC technical capacity to plan, prepare and conduct electoral processes
 - Improved capacity of permanent and ad hoc electoral staff to perform duties
 - Increased awareness of and participation in the electoral process by Nigeria's population
 - Improved targeting on women in key electoral processes
 - Improved public perception of and satisfaction with the conduct of elections."
- (p.1)

Pakistan

A full evaluation of the joint (basket) fund of donors in Pakistan (called the Like-Minded Group, LMG) has just been conducted (led by DFID), but the report is not yet available. The Terms of Reference for the evaluation were forwarded by The Asia Foundation, along with the logframe for the programme (see also: expert comments from The Asia Foundation regarding experience with pooled funding in Pakistan in the appendix):

- Terms of Reference for Evaluation of Donors' Support for Elections in Pakistan 2005 to 2008

See attached Word document entitled 'Elections Evaluation-Final-Overall-ToRs'

These ToRs require the evaluation to summarise the effectiveness of donor support in terms of what was needed and what donors provided, but also how well multi-donor support was coordinated between donors and implementers and among implementers.

An 'elections policy matrix' or 'donor coordination matrix' was used in Pakistan as the core technical document for the identification of all issues pertaining to elections. It was agreed that support for any component, sub-component, or activity within the matrix would be provided in a coordinated and harmonised manner. This eventually took place through two major election support basket funds (UNDP and The Asia Foundation (TAF), one major parallel support programme (International Foundation for Election Systems (IFES), and several minor national and international parallel support projects.

The ToRs note that "Key to donor support however, were the political issues related to election support. Donors also agreed that dealing with sensitive political issues would put undue pressure on the technical capacities of the UN system. Therefore a range of politically sensitive issues were to be dealt with separately. This was achieved through the formation of a Joint Political-Development Group on Elections, which provided a common platform for political and development colleagues of the international partners. The group was co-chaired by DFID and UNDP." (p.1)

- The Asia Foundation, 'Logical Framework Support Matrix; Supporting Free and Fair Elections in Pakistan', The Asia Foundation
See attached Word document entitled 'TAF LMG Log Frame'

Sierra Leone

- UNDP, 2007, 'Basket Fund Progress Report (Technical and Financial up to June 2007)', UNDP, Freetown
http://www.sl.undp.org/2_focus/electoral_reform_project_report.pdf

This technical report describes activities and progress by the Multi-donor Basket Fund Electoral Reform Project for the Sierra Leone 2007 elections. The project aimed to develop the institutional capacity of the National Electoral Commission (NEC) and the Political Party Registration Commission (PPRC) to ensure the delivery of free, fair and transparent elections. It supported the following activities:

1. NEC Restructuring
2. NEC Staff Capacity Development
3. NEC Infrastructural Development
4. NEC Information Technology System Development
5. Reform of Electoral Laws and Regulations
6. Boundary Delimitation
7. Voter Registration
8. Run Presidential and Parliamentary Elections
9. PPRC structuring and capacity development
10. EOC structuring and capacity development
11. Development and implementation a national electoral security plan
12. International technical assistance to the EMBs.

Tanzania

The basket fund for the 2005 elections in Tanzania was one of the first cases of the usage of such funds.

- UNDP, 2005, 'Support to the 2005 Elections in Tanzania', UNDP Tanzania
http://www.tz.undp.org/dg_elections2005.html

This web page summarises the activities and outcomes of the basket fund for the 2005 elections in Tanzania. Lessons learned included;

- "Basket funds provide a balance between speed of delivery and security for donors funds since it had in-built sound fund management, effective technical backstopping for the electoral process and for the stakeholders in the Basket, stakeholder engagement; and capacity development.
 - UNDP left the thematic lead to a donor, (UK) and this ensured that conflict of interests was avoided during project implementation.
 - The support process built on lessons learnt from previous election experiences and UNDP offered timely and frequent reporting, which again enhanced trust in the donor community.
 - UNDP track record in serving the donor community (secretariat of the DAC), helped to build the trust of the Donor community.
 - Programme oversight and policy and strategic guidance was vested in a tripartite Steering Committee comprising the Government, the development partners and UNDP, thus giving equal opportunity to all stakeholders to participate and be heard.
 - It was very clear amongst all partners that support for all dimensions of the elections that was done through the joint and coordinated approach was key in minimizing transaction costs in the context of donor harmonization as well as enhancing overall programme effectiveness and development impact." (p.1)
- UNDP, 2006, ' Permanent National Voter Registration', UNDP Success Story
See attached Word document entitled 'Success Story Elections'

A separate Basket Fund was established to support the establishment of the Permanent National Voters Register (PNVR) in Tanzania, and this note briefly describes its activities.

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Websites visited

International Institute for Democracy and Electoral Assistance (IDEA), ACE – The Electoral Knowledge Network, United Nations Electoral Assistance Division, International Foundation for Election Systems (IFES), MONUC (UN Mission in Congo), UNDP Pakistan, UNDP Sierra Leone, CIDA, World Bank, EC-UNDP Partnership on Electoral Assistance, Google, Google Scholar, Electoral Institute of Southern Africa (EISA), Ingenta, Informaworld, National Democratic Institute (NDI), European Commission, Asian Development Bank, The Asia Foundation, DFID, GSDRC.

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