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# USAID STRATEGY ON DEMOCRACY HUMAN RIGHTS AND GOVERNANCE

**USAID STRATEGY**  
**JUNE 2013**



Photo: Martin Galevski

America does not presume to know what is best for everyone, just as we would not presume to pick the outcome of a peaceful election. But I do have an unyielding belief that all people yearn for certain things: the ability to speak your mind and have a say in how you are governed; confidence in the rule of law and the equal administration of justice; government that is transparent and doesn't steal from the people; the freedom to live as you choose. These are not just American ideas; they are human rights. And that is why we will support them everywhere.

- President Barack Obama,  
2009 Cairo, Egypt

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# MESSAGE FROM THE ADMINISTRATOR

I am pleased to share with you our new strategy for Democracy, Human Rights and Governance (DRG). Designed to strengthen our ability to advance freedom and dignity around the world, the strategy affirms the foundational role that democracy and human rights play across development.

Over the past several decades, USAID has helped make significant and lasting contributions to historic democratic progress across the globe. From helping Central and Eastern European nations transition to democracy after the fall of the Soviet Union to supporting the democratic aspirations of the Arab Spring, to ongoing efforts to promote greater freedom and human dignity around the world, our Agency has advanced the core belief that sustainable growth and progress require strong support for democracy, human rights and good governance. Today, we remain the largest bilateral donor for DRG programs around the world—from combatting trafficking in persons to supporting free and fair elections to protecting the rights of vulnerable and marginalized populations.

With this new strategy, we take an important step forward in both elevating and integrating democracy, human rights, and governance into our broader mission through a new emphasis on high-impact partnerships, game-changing innovation, and, above all, meaningful results. We are working with our partners to develop new ways to defend human rights and improve government responsiveness through digital applications and social networking. In particular, the strategy advances core principles of selectivity and focus that will ensure we are investing wisely and strategically. Instead of identifying global priorities, we are tailoring activities to each particular country context and basing our efforts on rigorous, evidence-based assessments.

Across the world, innovations in technology have helped democratize communication and increase the global demand for transparency and accountability. Today, we are harnessing innovative approaches and new forms of communication to help people around the world raise their voices, expose atrocities, and fight corruption. That is the spirit behind *Making All Voices Count: A Grand Challenge for Development*, which is inspired by the Open Government Partnership, a global movement to strengthen citizen participation in democracy and government response.

This strategy comes at a critical time. Even as we have seen remarkable progress in this sector, we have also seen a disturbing pattern emerge as new laws restrict civil society and sanctioned policies of harassment undermine fundamental rights. In this environment, we must continue to affirm the importance of DRG and its vital connection to prosperity and growth. It is not only the smart approach. It is the right approach. Our long history as the world's leading supporter of DRG programs reflects the universal human values of freedom and dignity that unite us as a people. I look forward to working with all of you to continue to strengthen our efforts through new partnerships, innovations, and operational structures that advance our enduring commitment to democracy, human rights, and governance.



**Rajiv Shah**

USAID Administrator  
June 2013

# ACKNOWLEDGEMENTS

A Policy Task Team (PTT), co-chaired by Joshua Kaufman (Office of Innovation and Development Alliances), Carol Sahley (Center of Excellence on Democracy, Human Rights and Governance), and Barbara Smith (formerly of the Bureau for Policy, Planning and Learning) produced USAID's *Strategy on Democracy, Human Rights and Governance*. The PTT also consisted of six other individuals selected from across the Agency for their recognized knowledge and expertise on these issues:

1. Wade Channel (Office of Trade and Regulatory Reform)
2. Neil Levine (Office of Conflict Management and Mitigation)
3. Carl Mabbs-Zeno (Office of U.S. Foreign Assistance Resources)
4. Laura Pavlovic (Center of Excellence on Democracy, Human Rights and Governance)
5. Chloe Schwenke (formerly of the Bureau for Africa)
6. Alexander Sokolowski (Bureau for Europe and Eurasia)

These USAID staff worked intensively and collaboratively in service to this critical strategy work, and will continue to serve as important resources in the strategy's implementation. The PTT was guided by a "senior reference group" consisting of Sarah Mendelson and David Yang of the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), and Susan Reichle, Larry Garber and Steven Feldstein of the Bureau for Policy, Planning and Learning (PPL).

The PTT consulted with USAID experts serving both in Washington, D.C. and the field. Outside of USAID, the PTT conducted consultations and briefings with key interagency partners, interested Congressional staff, and external experts. Their contributions substantially improved and informed the final strategy.

# EXECUTIVE SUMMARY

**U**SAID's Democracy, Human Rights and Governance (DRG) Strategy provides a **framework to support the establishment and consolidation of inclusive and accountable democracies to advance freedom, dignity, and development.** Support for DRG is vital to the pursuit of freedom and national security, and is essential to achieve the Agency's and the United States Government's broader social and economic development goals.

This new strategy achieves the following:

**Affirms DRG as integral to USAID's overall development agenda.** Strong democratic institutions, respect for human rights, and participatory, accountable governance are crucial elements for improving peoples' lives in a sustainable way. Promoting DRG is also critical to the U.S. national interest because it promotes peace, security, stability, and prosperity. Finally, promotion of democracy, human rights and governance is a reflection of fundamental American values and identity.

**Builds the DRG foundation needed to eradicate extreme poverty.** As the President stated in his 2013 State of the Union Address, the United States is committed to working with its partners to eradicate extreme poverty in the next two decades. The underlying causes that perpetuate extreme poverty are not limited to economic factors. Poverty is underpinned by poor and undemocratic governance, weak and corrupt institutions, and entrenched power dynamics that lead to political and economic exclusion. Poverty is perpetuated when governments are unable to manage conflict, natural disasters or economic shocks that roll back development gains. Sustainable approaches to address poverty therefore require improvements in DRG to develop responsive government institutions capable of providing basic services and fostering inclusive economic growth. Democratic institutions not only encourage citizen participation and the provision of policies and services that are focused on citizen needs, but also provide a legal and policy framework for expanding economic opportunity by securing property rights, enforcing contracts and regulating markets. Efforts to promote human rights and build inclusive, participatory, and accountable institutions associated with democratic systems will be a key element in efforts to end extreme poverty.

**Outlines an approach for supporting and defending civil society.** USAID supports the aspirations of people to contribute to the decisions that shape their own societies. Citizen voice and civic expression are essential to building and sustaining democratic societies. Civil society organizations provide channels for citizen voice and can help citizens hold government accountable. Closing space for civil society in some parts of the world is a growing challenge. Restrictive media laws, laws governing non-governmental organizations (NGO), and harassment or persecution of civil society activists, have limited freedom of speech and association in many places. Through new legal, regulatory and enforcement measures, some governments have sought to make it harder for civic organizations to register as legal entities, to access financial support from private and public sources, to carry out activities, and to conduct outreach efforts. Civic organizations are responding individually and collectively to defend their rights. These organizations are some of the most important development partners, and they must be able to operate freely in their societies. USAID is strongly committed to supporting civil society and standing up for fundamental rights, including the freedoms of association and speech, wherever they may be threatened.

**Promotes democracy, human rights and governance through the innovative use of technology.** USAID is increasingly integrating technological innovations into its DRG portfolio to enable democratic progress by leveraging mobile technologies, social networks and youth engagement. The explosive growth of information technology has democratized communication. These new information communication technologies can present new challenges to democracy as some governments monitor and control access to the Internet, but they also present powerful new opportunities for citizens to participate in public policy decisions and hold their governments accountable. Drawing upon these innovations and an increasing global demand for transparency and accountability, the United States and more than 50 bilateral partners have signed on to the **Open Government Partnership (OGP)** to promote transparency, empower citizens, increase access to technology, fight corruption and strengthen governance. Inspired by the OGP, USAID has launched the Grand Challenge for Development



*Making All Voices Count (MAVC)* in partnership with U.K. Department for International Development (DFID), the Swedish International Development Cooperation Agency (SIDA), and Omidyar Network. This initiative will support innovative solutions to amplify the voices of citizens and to enable governments to listen and respond, with the goal of fostering more democratic and effective governance, particularly in emerging democracies.

**Adopts a more cohesive, goal-oriented framework.** This new strategy moves beyond USAID's existing framework that focuses on which institutions we are strengthening: 1) civil society; 2) governance; 3) elections and political processes; and 4) rule of law. The strategy adopts new objectives that articulate the higher-level outcomes the Agency is seeking to achieve. Two critical outcomes envisioned by this strategy are greater citizen **participation and inclusion**, and more **accountable institutions and leaders**. This new focus on core concepts will facilitate DRG programming that breaks down existing stovepipes and encourages innovation and integration across DRG component areas of work.

**Elevates human rights as a key USAID development objective.** USAID has a long history of supporting human rights under a variety of reporting labels, including rule of law, civil society, vulnerable populations, property rights and access to justice. This strategy makes human rights an explicit component of the Agency's approach to democratic development. It builds on USAID's existing portfolio of human rights programming, while elevating human rights, including economic, social and cultural rights, as a critical element of a development strategy that leverages the inclusion and dignity of all. USAID places particular emphasis on inclusive development, expanding rights and opportunities for women, persons with disabilities, displaced persons, LGBT persons, indigenous peoples and other historically marginalized populations, including ethnic and religious minorities. Additionally, this strategy enshrines the prevention of human rights abuses as an important part of human rights programming.

**Encourages integration of DRG principles and practices into other development sectors.** Obstacles to economic and social development are not only technical in nature; they are rooted in the political economy of a country. Therefore, technical efforts to promote poverty reduction and socioeconomic development must address democracy, human rights and governance issues, including a lack of citizen participation and poor government accountability. Based on growing evidence of the relationship between DRG and socioeconomic progress, this

strategy outlines an approach to integrating DRG throughout all of the Agency's areas of focus. At the same time, it acknowledges the importance of better integrating economic governance work into relevant DRG programs and activities. The strategy describes DRG concepts and tools that can be leveraged to enhance outcomes in support of the three core presidential development initiatives, Feed the Future, Global Climate Change, and the Global Health Initiative as well as other development sectors.

**Defines a country-based strategic approach to applying this strategy.** A country's political trajectory and context are among the most significant factors in determining the core DRG challenges and opportunities that exist in a country. Therefore, by considering the political context in their country, Missions can begin to identify the high level DRG strategic issues that they will likely face. This strategy establishes four country contexts and three overarching characteristics to help guide strategic planning. However, to develop a truly effective strategy, to make fully informed decisions on focus and selectivity, and to lay the foundation for the design and implementation for effective programs, a rigorous DRG assessment and separate social-sector political economy analysis is recommended.

This strategy takes into account the development parameters articulated by the *USAID Forward* reform agenda.<sup>1</sup> In particular, the principles of **selectivity** and **focus** will underpin all future DRG interventions. With respect to selectivity, this strategy articulates a framework to identify when DRG resources can be phased out. The strategy also encourages focus by guiding the investment of resources within the DRG sector to where they are likely to have the greatest impact, given the country context. Rather than identifying global priorities, focus will occur within countries, as Missions carefully tailor activities to the particular challenges and opportunities they face. Given the diversity and context-specific nature of DRG gaps, the strategy encourages country-level assessments to identify particular needs, and to focus on programs most likely to have a lasting and measurable impact. Both principles recognize that there is not sufficient funding to meet all needs. Accordingly, DRG programmers must plan their interventions with a deep understanding of country dynamics and opportunities for genuine reform as outlined in this strategy.

This strategy also supports *USAID Forward* by outlining a rationale and approach to support local solutions. Accountable and participatory partner country systems, which include government ministries, parliaments and judiciaries, as well as media, civil society and private sector actors, form the foundation

<sup>1</sup>USAID, *USAID Policy Framework: 2011-2015* (Washington DC: USAID, 2012).

required to achieve DRG goals. Both state and non-state institutions must attain certain levels of capacity if effective, accountable governance, and hence sustainable development, is to be achieved.

USAID is uniquely placed to elevate, integrate, and drive forward the U.S. Government's agenda on DRG. In 2012, USAID created the Center of Excellence on Democracy, Human Rights and Governance. The DRG Center is developing stronger partnerships, thoughtful innovations and meaningful results. The Agency's sustained presence around the globe enables Mission staff to forge strong partnerships with stakeholders across the development spectrum, from local civic groups to government institutions to other public and private donors, and the private sector, contributing to the development

and effective oversight of programs adapted to developing conditions on the ground. USAID's deep relationships in the countries in which it works also allow the Agency to take a longer term, nuanced view of the development of democratic capacity, recognizing that it can take many years and creative approaches to achieve sustainable change and consolidated democratic institutions. Because the advancement of DRG is central to U.S. foreign policy and national security, USAID coordinates with the White House, Department of State, Department of Justice and other departments and agencies in the U.S. Government in Washington and through embassy country teams to help achieve common objectives on issues such as human trafficking, open government, political development, rule of law and criminal justice reform.



*Open, democratic governance requires both citizens giving robust feedback on how government is performing and constructive response by governments to that feedback. Photo: Panos*

# I. USAID'S DEMOCRACY, HUMAN RIGHTS AND GOVERNANCE STRATEGY

**U**SAID's DRG Strategy provides a framework to support the establishment and consolidation of inclusive and accountable democracies to advance freedom, dignity, and development. This strategy lays out USAID's vision to support democracy, human rights, and governance as vital to the pursuit of freedom and national security, and as essential to achieve the Agency's broader social and economic development goals.

- ***The strategy replaces a 20-year-old set of categories with a framework that says what we are accomplishing, not what we are doing.*** USAID has revisited its 20-year-old strategic approach of emphasizing core institutional components of democracy – civil society, governance, elections and political processes, and rule of law – and designed a new strategy which focuses on higher level objectives.
- ***The framework re-focuses traditional DRG activities into objectives on participation, inclusion, and accountability.*** USAID's traditional programs on civil society, governance, elections and political processes, and rule of law are encompassed and reframed under these new objectives. The framework seeks to empower reformers and citizens from the bottom up, while shifting the incentives of the ruling elite by enhancing accountability systems, so they will support meaningful reforms.
- ***The strategy establishes Agency objectives for integration and human rights.*** USAID recognizes that democratic governance is important to achieve USAID's broader development goals, and therefore prioritizes the integration of DRG into sectors such as health, economic growth, global climate change, and food security. In addition, the strategy emphasizes the integral role of human rights as part of USAID's DRG efforts as well as broader development work.
- ***The strategy captures a country-based approach with guidance on transitioning away from DRG assistance.*** USAID recognizes that different DRG approaches should be used depending on whether USAID is providing support in authoritarian states, hybrid regimes or developing democracies. In addition, certain factors such as whether a country is undergoing a transition or is experiencing conflict will help define the strategic approach adopted. Finally, USAID recognizes the need to define the point at which a given country is no longer in need of DRG assistance.
- ***The strategy will be followed by additional guidance and support on implementation.*** USAID will develop "how - to notes" and supportive tools and guidance to assist Missions and operating units with implementation of the strategy, including alignment with existing policies, strategies and country programs.

## II. DRG: A CORE U.S. GOVERNMENT AND USAID POLICY OBJECTIVE

Democracy, human rights, and governance are fundamental objectives in and of themselves, and essential foundations for sustainable socioeconomic development. The U.S. Government (USG) recognizes the importance of DRG to achieving global development goals, as well as U.S. foreign policy objectives. President Obama, building on the work of his predecessors, has made support for democracy and human rights a core strategic goal because they embody American values, foster prosperity and safeguard national security. This elevation of DRG also reflects the international consensus that respect for human rights and freedoms is founded upon a global commitment to the values that are enshrined in the Universal Declaration of Human Rights. USAID views DRG as a core part of its mandate for four main reasons:

**First, DRG is essential to advance and sustain USAID's overall development agenda.** Efforts to promote sustainable social and economic development face particularly difficult roadblocks in non-democracies. The inability of a weak or illegitimate government to manage conflict or withstand natural and economic shocks can substantially roll back precious development gains. Development is often undermined by the corrosive impact of corruption, elite capture of state benefits and unaccountable governance. Scarce national resources are often diverted from development to private gain, while closed and non-transparent governance lacks responsiveness to citizen needs.

Non-democracies not only often constrain civil and political liberties, but limit educational and economic choices and opportunities as well, often marginalizing groups such as women and religious and ethnic minorities, as well as particularly vulnerable groups such as people with disabilities, and LGBT and indigenous persons. Non-democracies, including those in conflict and transition also, face a range of serious development challenges. While there have been a handful of autocracies with sustained growth, they have been a small minority of such regimes.<sup>2</sup> Moreover, autocracies are twice as

“Democratic governance matters for development. Of course, democracies, autocracies, and regimes that are somewhere in between all exhibit wide ranges in their development performances....

Nonetheless, at every income level considered, democracies on the whole have consistently generated superior levels of social welfare. This pattern holds even at the lowest income category (below \$500 per capita GDP), the cohort in which conventional thinking suggested democracies would struggle most. Instead, democracies outperform autocracies at this income level in all 12 measures considered....”

Halperin, Siegle, and Weinstein, *The Democracy Advantage*, 43-44.

likely to face an economic collapse as a democratic state, and they are more likely to experience conflict, which can be devastating to a country's economic and social fabric and development potential.<sup>3</sup>

The development dividends of accountable and democratic governance are becoming increasingly apparent. A study of 17 emerging countries in Africa demonstrated that a shift toward democracy has been accompanied by a measurable improvement in the quality of governance.<sup>4</sup> In doing so, a poverty trap is being supplanted by a virtuous, self-reinforcing, cycle of democracy, improved governance and economic growth.<sup>5</sup>

Democracies score consistently higher than autocracies on a broad range of socioeconomic development indicators. These include infant and child mortality, life expectancy, primary school

<sup>2</sup>Morton Halperin, Joseph T. Siegle, and Michael M. Weinstein, *The Democracy Advantage: How Democracies Promote Prosperity and Peace* (New York: Routledge, 2010), 19.

<sup>3</sup>Ibid., 18.

<sup>4</sup>Steven Radelet, *Emerging Africa, How 17 Countries are Leading the Way* (Washington D.C.: Center for Global Development, 2010), 64.

<sup>5</sup>Ibid.

enrollment, adult literacy, female youth literacy, female secondary school enrollment, access to clean water, cereal yields, crude death rates and population growth.<sup>6</sup> A study in 118 countries similarly found a strong relationship between regime type – democratic, autocratic, or incoherent – and health indicators, such as life expectancy at birth and child mortality. Even when controlling for factors such as education and income equality, democratic systems correlate with significantly improved health outcomes.<sup>7</sup>

In addition, political transition from autocracy to democracy is associated with rapid economic expansion, while relapse from democracy correlates with significant declines in income.<sup>8</sup> Research further shows that improvements in governance yield large payoffs in terms of per capita income.<sup>9</sup>

**Second, promoting DRG is in the U.S. national interest.** As noted in every U.S. National Security Strategy (NSS) issued since 1990, and emphasized further since September 11, 2001, democracies are the most effective partners for addressing transnational security issues, such as terrorism, nuclear proliferation, climate change and disease. In the developing world, new democracies are much less likely than non-democracies to be sources of refugees, famine, human trafficking, and cross-border criminal activity. The 2010 NSS explicitly links USG efforts in DRG to national security and global prosperity. DRG programming can support broader USG efforts to counter terrorism and extremism by addressing corruption, exclusion and human rights abuses, which extremists use to build their narratives and fuel recruitment.<sup>10</sup> Programs and policies that support human dignity, greater social cohesion, cooperation and inclusion of marginalized groups can provide direct and positive alternatives, especially for youth.

Both the *2010 Presidential Policy Directive on Global Development* (PPD-6) and the *Quadrennial Diplomacy and Development Review* (QDDR), also issued in 2010, highlight DRG as a necessary foundation for sustainable development. Further, in 2011, both a joint *State Department-USAID Strategic Goal* and the *USAID Policy Framework* (2011-2015) identified DRG as a core development objective, explicitly recognizing human rights as a component of “expanding and sustaining the ranks of stable, prosperous, and democratic states.”

**Third, promotion and protection of human rights is both a fundamental part of U.S. foreign policy and a part of USAID’s development mandate.** Promoting and protecting human rights is linked to development, and has been part of USAID’s development agenda for many years, though it has not always been labeled as such. Many activities carried out under the traditional “Democracy and Governance” sub-sectors have supported human rights through such activities as access to justice, work with internally displaced persons and women’s political participation. The consistent denial of rights often fuels conflict and a lack of accountability and insufficient respect for human rights closes off avenues for individual opportunity and thus contributes to poverty. Using a human rights lens in the analysis, design and implementation of USAID’s democracy promotion activities, as well as throughout the Agency’s broader development agenda, will strengthen USAID’s inclusive development approach.

One study covering 35 African countries over the period 1981-1996 found that, when “subject to multiparty competition, African governments have tended to spend more on education, and more on primary education in particular.”

David Stasavage, “Democracy and Education Spending: Has Africa’s Move to Multiparty Elections Made a Difference for Policy?” DEDPS 37 (London, UK: Suntory and Toyota International Centres for Economics and Related Disciplines, London School of Economics and Political Science, 2003), 2-3.

**Finally, advancing DRG is a reflection of American values and identity.** The American people believe that the inherent rights and dignity of every individual are not only the sources of the United States’ success as a country, but are the birthright of every person on earth. The United States has long committed to supporting democratic reformers and human rights defenders everywhere.

<sup>6</sup>Halperin, Siegle, and Weinstein, *The Democracy Advantage*, 41-43.

<sup>7</sup>Jalil Safaei, “Is Democracy Good for Health?” *International Journal of Health Services* 36 (2006), pages 767-86.

<sup>8</sup>Torsten Persson and Guido Tabellini, “The Growth Effect of Democracy: Is It Heterogeneous and How Can It Be Estimated?” NBER Working Paper (13150), 2007: National Bureau of Economic Research.

<sup>9</sup>Daniel Kaufman, Aart Kraay and Pablo Zoido-Lobaton, “Governance Matters,” World Bank Policy Research Working Paper (2196), 1999.

<sup>10</sup>USAID, *The Development Response to Violent Extremism and Insurgency: Putting Principles into Practice* (Washington, DC: USAID, 2011).

## III. DRG IN GLOBAL PERSPECTIVE: CURRENT CHALLENGES AND OPPORTUNITIES

In recent decades, the world has witnessed dramatic moments of political change that have created sweeping opportunities for democratic reform and the expansion of human rights. A “third wave” of democratization began in the 1970s and continued to accelerate in the 1980s and 1990s.<sup>11</sup> Declining legitimacy of authoritarian governments and successful grassroots pro-democracy movements fueled this global trend. The fall of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991 sparked an unprecedented wave of transitions throughout Central and Eastern Europe. In the 1980s, authoritarian governments gave way to democratically elected leaders in much of Latin America, and later in parts of Asia and Africa. Democratic transitions were seen in countries as diverse as Indonesia, South Africa, and Brazil.

During this era, democratic progress was dramatic and unprecedented. According to Freedom House, which has tracked political rights and civil liberties around the world since 1972, fewer than half of the world’s nations were democracies in 1991. By 2006, 64 percent were democracies. Thus, in 15 years, democracy has gone from being considered a mostly Western construct to being the predominant form of government globally, universally perceived as an essential source of legitimacy.

The historic nature of this global progress has been tempered by a partial backsliding trend in some regions. Political transitions do not necessarily lead to sustainable democracies. Between 2006 and 2010, the number of democracies declined from 123 to 115. By 2011, the number had inched back up to 117, and increased to 118 in 2012. However, on aggregate, the total level of democracy worldwide declined for the seventh straight year.<sup>12</sup> There is no automatic road to democratic con-

solidation. It takes years or decades for foundational institutions of democracy to take root, and reversal is possible.

Prior to 2011, the Arab world had remained largely untouched by the global democratization trend. Deeply entrenched autocratic, oligopolistic regimes in the region appeared impervious to the global forces of democracy until a single act of frustration unleashed the long repressed desire of the people for political and economic freedom: Mohammed Bouazizi, a Tunisian street vendor, set himself on fire in protest of a repressive and corrupt regime that had destroyed his economic opportunities, unleashing a tidal wave of protests across the region. In an increasingly interconnected world, information spread rapidly and technology enabled new forms of mobilization. As the Arab Spring spread, autocrats in Tunisia, Egypt and Libya were toppled.

The events in the Middle East provide a renewed sense of hope and optimism about the future of democracy and freedom. While continued progress toward democratic reform in the region remains tentative and uncertain, what has become clear is people’s demand for dignity and for an end to unresponsive and corrupt regimes that limit their ability to earn a decent living. The Arab Spring also signals a strategic opportunity to foster greater economic opportunity as a gateway to greater political freedoms. Deep challenges remain, as the political, economic and cultural legacies of decades of autocratic rule are not easily overcome.

DRG programming must adapt to this new global context for democratic development. There have been profound changes in how people communicate and organize, as well as changes in how democracy’s opponents resist reform. Among the most salient trends include:

<sup>11</sup>Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).

<sup>12</sup>This data refers to electoral democracies. Although this is an imprecise measurement of meaningfully democratic systems, the increase in this number indicates increased adoption of democratic processes. Freedom House, *Freedom in the World 2013: Democratic Breakthroughs in the Balance* (New York: Freedom House, 2013).

**Globalization and the communications revolution:** The spread of democracy has coincided with broader processes of globalization and the world's rapidly increasing physical and virtual interconnectedness. New technologies and migration to cities have brought people closer together:

- The explosive growth of communications technology – mobile phones in particular – has not only given people access to more diverse information streams, but also new ways to engage with each other, shape societies, and help create informal transnational movements.<sup>13</sup>
- A global human rights movement has mobilized local and international actors and drawn attention to the strong linkages between human rights and human development. Likewise, new international norms, such as “the responsibility to protect” and “do no harm,” have moved from the periphery to the center of international discourse.
- Some regimes limit technology and control content on the Internet, and the use of technology has generated new forms of threats to personal and organizational security.

**Continued obstacles to democratic consolidation – hybrid political systems, opponents and spoilers, and conflict:** As democracy has become the predominant form of government, its opponents have discovered ways to undermine its consolidation.

- Governments are more adept at creating a façade of democracy and using carefully calibrated tools of repression, such as manipulation of electoral laws and imposing restrictive NGO legislation.
- Post-transition countries may fall short of democratic consolidation, as governing elites resist change and accountability.
- Citizen insecurity is a growing threat to democracy as it undermines political stability. In parts of Latin America, for example, the growing influence of narco-trafficking criminal elements and youth gangs are shaking the legitimacy of the state and undermining public confidence in democratic institutions.
- Some of the drivers of violent extremism are core DRG concerns.<sup>14</sup> As highlighted in the USAID policy, *The Development Response to Violent Extremism and Insurgency*, addressing issues of exclusion, corruption and promoting human rights are fundamental to eliminating the conditions upon which

extremist groups build their narratives.

- Countries are unable to escape protracted cycles of conflict and fragility.

**Corruption continues to constrain human progress and democracy across the globe:** Corruption is a cancer that cuts across regional, cultural or ideological divides to rob people of the freedom and prosperity that they would otherwise have.<sup>15</sup>

- Corruption siphons scarce resources away from vital and necessary public investments. Only through a long struggle for democratization — wherein governmental and non-governmental institutions of public accountability are developed — can lasting progress against corruption be made.
- Corruption constrains economic growth and opportunity for individuals and is often the tool of elites to establish, maintain and strengthen monopolies and oligopolies that are used to further entrench their political powers.

**Freedom for all — breaking down the social barriers to participation and inclusion:** Among the most fundamental problems, including in developing democracies, are the continued barriers to widespread participation and inclusion. Exclusion can take various forms:

- Governments in some countries rule in a closed and non-transparent manner; without enabling the meaningful participation of all citizens.
- In other countries, democratic notions of popular voice and majority rule coexist with religious and cultural institutions and traditions that may undermine inclusion and human rights. Particularly acute are barriers to women's political participation. Even where the legal rights of women are formally equal, cultural discrimination often remains. This DRG strategy and USAID's *Gender Equality and Female Empowerment Policy* are mutually reinforcing in their emphasis on the principles of inclusiveness and accountability.<sup>16</sup>
- Similar legal and cultural barriers can hinder the participation of a wide range of marginalized groups based on geography, ethnicity, religion, age, social mobility, disability, education, sexual orientation, and gender identity.
- Political exclusion is often linked to economic exclusion, shutting vulnerable groups – or even the majority population – out of meaningful access to economic opportunity and to

<sup>13</sup>USAID is capitalizing on these new opportunities through its Grand Challenge for Development, *Making All Voices Count*. See text box on page 16.

<sup>14</sup>USAID, *The Development Response to Violent Extremism and Insurgency: Putting Principles into Practice* (Washington, DC: USAID, 2011).

<sup>15</sup>USAID is intensifying its efforts to help tackle corruption through its participation in the Open Government Partnership (OGP) and its Grand Challenge for Development *Making All Voices Count*. See text boxes on page 19 for OGP and 16 for MAVC.

<sup>16</sup>USAID, *Gender Equality and Female Empowerment Policy* (Washington, DC: USAID, 2012). Other USAID policies related to gender include: USAID, *Countering Trafficking in Persons Policy* (Washington, DC: USAID, 2012); USAID, *Ending Child Marriage & Meeting the Needs of Married Children: The USAID Vision for Action* (Washington, DC: USAID, 2012); and USAID, *Implementing the United States National Action Plan on Women, Peace, and Security* (Washington, DC: USAID, 2012).

the policy processes that would open the economy beyond the stronghold of a narrow economic elite.

- Eradicating extreme poverty is the challenge of our generation. Extreme poverty is underpinned by poor and undemocratic governance, weak and corrupt institutions, and entrenched power dynamics that lead to political and economic exclusion.

**The institutional capacity of governments to address future challenges remains weak:** Issues such as urbanization, climate change and, in some places, growing crime, require an ever greater capacity for democratic governance, accountability and responsiveness.

- Urbanization will affect countries' ability to govern as local government accountability and capacity will be strained. This strategy reinforces the importance of civil society engage-

ment, country ownership and increased accountability for effective government service delivery.

- At the same time, the poor are particularly vulnerable to the effects of chronic shocks that set back development progress, including conflict, economic swings, and the impacts of climate change that are resulting in increased and more severe disasters.<sup>17</sup> This DRG Strategy and USAID's *Climate Change and Development Strategy* are also mutually reinforcing in terms of inclusiveness and accountability.<sup>18</sup> By strengthening systems and encouraging inclusive planning, societies can become more climate resilient. USAID's Policy and Program Guidance, *Building Resilience to Recurrent Crisis*, incorporates the approaches of global climate change adaptation and disaster risk reduction strategies and cites the importance of inclusive processes and strengthening governance institutions to building resilience.<sup>19</sup>



The Taita Taveta County Bunge Forum is a model of democracy for Kenyan youth. Photo: Donatella Lorch/USAID.

<sup>17</sup>Core Writing Team, R.K. Pachauri and A. Reisinger, eds. Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (Geneva: IPCC, 2007), 65.

<sup>18</sup>USAID. *Climate Change and Development Strategy* (Washington, DC: USAID, 2011).

<sup>19</sup>USAID, *Building Resilience to Recurrent Crisis, Policy and Program Guidance* (Washington, DC: USAID, 2012), 12.



## IV. THE DRG STRATEGIC FRAMEWORK

**F**ar too many countries in the developing world still lack democracy, human rights and good governance. Yet in the second decade of the 21st century, with its visible examples of successful political reform in developing countries, it is no longer credible to attribute this gap solely to a lack of capacity or knowledge. Rather, in many places, political and economic elites, vested in the status quo, block reform. That is why DRG programs aimed simply at building institutional capacity often fail to achieve their goals. This same political dynamic plays out beyond the DRG sector, inhibiting broader development gains. In addition, the highly corrosive effect of corruption on development is clear:

USAID's overarching goal in DRG is **to support the establishment and consolidation of inclusive and accountable democracies** to advance freedom, dignity and development.

USAID will prioritize **participation and inclusion** to empower reformers and citizens from the bottom up so they can have a greater say in how they are governed and have a stake in the process. USAID will support **accountability** to shift the incentives of the ruling elite so they will support meaningful reforms and more inclusive and accountable modes of political and economic governance. Promoting democratic governance requires reform of a range of government institutions, including local governments, legislatures and the judiciary. This framework will enable the Agency to address more effectively cross-cutting issues, such as corruption, given its enhanced focus on accountability and citizen engagement.

USAID will more deliberately promote and protect **human rights**, which are a requirement for both democratic and socioeconomic progress. Democracies live up to their core values only when they guarantee human rights – including property and economic rights – to all. A focus on human rights is not only important in restrictive environments; rather, it is fundamental in all democratic systems.

Finally, USAID's overall development efforts will be strengthened by the enhanced **integration of DRG** principles and practices throughout its portfolio, ensuring that USAID's work

in social and economic sectors support related political reform. In doing so, USAID will help partner countries build the underlying political and economic institutions necessary to become more resilient and capable of leading their own broad-based development through stronger accountability, participation and responsiveness to their citizens.

To achieve USAID's DRG goal, this strategy lays out four mutually reinforcing Development Objectives (DO). DO 1 and 2 articulate, refocus and reframe the intended outcomes of "traditional" democracy and governance assistance, and encompass the previous sub-sectors of governance, civil society, rule of law, and elections and political processes. DO 3 and 4 emphasize relatively newer areas of enhanced focus – human rights and DRG integration. Due to the cross-cutting nature of these two objectives, they are deliberately designed to broadly implicate USAID programming.



*Voters of all ages are able to use the electronic voting system in this polling station in Peru. Photo: USAID/Caroline Sahley.*

# USAID's DRG Strategic Framework

**Goal Statement:** *Support the establishment and consolidation of inclusive and accountable democracies to advance freedom, dignity, and development.*

## **DO 1: Promote participatory, representative and inclusive political processes and government institutions.**

- 1.1: Assist civil society and government partners to advance civil and political rights, including the freedoms of expression, association, peaceful assembly, and access to information
- 1.2: Promote politically engaged and informed citizenries, active civil society organizations, organized labor, independent and open media, and representative political parties
- 1.3: Support the implementation of participatory political processes by state institutions, including at the sub-national level
- 1.4: Support the fair and impartial establishment and implementation of policies and laws

## **DO 2: Foster greater accountability of institutions and leaders to citizens and to the law.**

- 2.1: Provide electoral assistance that enables citizens to exercise their right to select and replace their leaders through periodic, free and fair elections
- 2.2: Support the ability of civil society and independent and open media to provide oversight and an informed critique of government
- 2.3: Strengthen institutions and systems that enable the rule of law, and checks and balances among branches of government
- 2.4: Assist state institutions at all levels in delivering on the mandates of their offices, fulfilling the public trust, and providing public goods and services through transparent and responsive governance

## **DO 3: Protect and promote universally recognized human rights.**

- 3.1: Support mechanisms for protection, mitigation, and response to violations against human rights, in particular human rights violations affecting the most vulnerable
- 3.2: Prevent violations by strengthening human rights frameworks, institutions, and oversight
- 3.3: Promote human rights principles, in accordance with universal values and international norms

## **DO 4: Improve development outcomes through the integration of DRG principles and practices across USAID's development portfolio.**

- 4.1: Strengthen country-based mechanisms for participation, inclusion, and local ownership across all USAID development sectors
- 4.2: Encourage host governments and civil society to employ legitimate and effective accountability mechanisms
- 4.3: Promote equality of opportunity and access to public goods and services, particularly with respect to poor and marginalized populations

As the strategic framework is applied in the diverse country contexts in which the Agency works, USAID will continue to engage on a broad range of activities. The implementation of this strategy will help to:

- Intensify efforts to support and protect human rights defenders and civil society reformers in difficult political environments and promote increased space for meaningful political competition, including related economic participation, in order to create the conditions for sustainable democratic transition;
- Support the development and application of 21st century technologies to help advance DRG objectives, including linking and elevating the voices of citizens, helping governments listen and respond, helping protect and mitigate threats to individuals and organizations advancing DRG, and tracking abuses and fraud;
- Provide immediate technical assistance and support during political transitions, including support for constitutional design, electoral frameworks, inclusive dialogues and reconciliation programs and technical assistance on democratic governance to set the stage for democratic stability;
- Support long-term work of developing accountable and transparent institutions, including expanding anti-corruption efforts needed for democratic consolidation, to arrest backsliding in developing democracies, and to promote broad-based growth;
- Empower citizens to participate actively in political, economic and governing processes and hold governments accountable, while helping governments and citizens break down barriers for the political and economic inclusion of marginalized groups;
- Strengthen democratic political processes and rebuild institutions in countries affected by conflict or state failure, as well as in countries that are increasingly vulnerable to sliding into chaos or collapse;
- Improve development outcomes through the integration of DRG into socioeconomic development programs, in particular where a country's human and economic development is stifled due to poor governance, human rights abuses, lack of meaningful citizen participation, and dysfunctional political economy;
- Integrate DRG and economic governance programs to support improved protection of individual property rights, private enterprise, and economic opportunity through the application of civil codes, procurement reform, bankruptcy procedures, and more effective commercial courts; and

- Provide guidance to identify countries that have reached a stage of democratic development where bilateral DRG assistance programs are no longer necessary and phase out or recalibrate USAID programs.

This global DRG framework is not designed to provide a rigid structure to direct USAID Missions and other operating units into specific programmatic areas absent a real-world assessment of DRG needs and opportunities. This framework is deliberately designed to help inform focus and selectivity in two ways:

1. USAID is prioritizing the concepts of participation and inclusion, accountability, human rights, and integration of DRG into other development sectors. The strategy provides top-line guidance on why and how to program in these areas. Missions and operating units should work to align their existing portfolios with this framework.
2. As noted in Section V of this strategy, country-specific DRG assessments are the primary tool to guide Missions in terms of DRG focus and selectivity. Assessments will help Missions select which development objectives and sub-objectives are most suited to a given country context, and appropriate to their staffing and budget resources. Country Development Cooperation Strategies (CDCS) should incorporate the most appropriate and highest priority aspects of this framework.

## **DEVELOPMENT OBJECTIVE I: Promote participatory, representative, and inclusive political processes and government institutions**

Citizen voice and participation are essential to build and sustain democratic societies. Yet, in many countries, large groups of people are excluded from involvement in the political processes that define their opportunities and quality of life. Many governments operate in a closed and nontransparent manner without the meaningful participation of citizens. In addition, historically marginalized groups face even greater barriers to participation and representation. The many characteristics that can lead to marginalization differ among countries, and include geography, ethnicity, color, religion, creed, age, class, disability, sexual orientation, education and gender identity. USAID places particular emphasis on addressing the barriers to political participation and other freedoms for women, persons with disabilities, displaced persons, LGBT persons, indigenous peoples and other historically marginalized populations, including ethnic and religious minorities.

USAID has recently launched a Grand Challenge for Development MAVC, a \$45 million partnership that brings together DFID, USAID, SIDA, and Omidyar Network to fund innovation, scaling-up and research in support of open, responsive government and citizen engagement. MAVC will focus global attention on innovative solutions, including those that use mobile and web technology to amplify the voices of citizens and enable governments to listen and respond, with the goal of creating more effective democratic governance and accountability, particularly in emerging democracies. See <http://makingallvoicescount.org/>

Political marginalization is often compounded by social and economic marginalization, leading to poverty, limited economic opportunities, low levels of education and limited access to health and other services. These groups often suffer from discrimination in the application of policies and laws, and in the allocation of public goods and services. Their interests are only weakly represented by elected officials and representative institutions.

This cycle of marginalization impedes broad-based development and perpetuates poverty. Entrenched power dynamics create barriers to inclusion and create the conditions that both trap vast numbers of households in extreme poverty and set the stage for potential conflicts. For this reason, this strategy promotes democratic governance and political processes that are participatory, representative and inclusive. USAID supports civil society, civic education and citizen participation because citizen voice is an essential component of any democracy. USAID works to integrate marginalized groups throughout its DRG programs, whether it is through improved access to justice, inclusive voter registration, or increased women's political participation.

While citizen-based approaches are vital to participatory governance, achievement of this development objective also often requires reform of a range of government institutions, including local governments, legislatures and the judiciary to ensure greater space for citizen involvement. Further, DRG programs strengthen political representation, and ensure that mechanisms for direct citizen participation reinforce representative institu-

tions. This representation allows citizens to vie for greater economic participation, reduce oligopolistic influence, and promote greater property rights for individuals, including women. As a result, establishing the rule of law and a system of governance that treats citizens fairly and impartially is an important part of inclusive development, and is vital for broad-based economic growth and market economies.

The most important forces for political change often come from below, as citizens organize to shape the direction of their societies for their own freedom, dignity, and prosperity. Therefore, capacity building of local entities is a central tenet for success and DRG projects will incorporate strengthening local organizations as an essential element.

USAID also prioritizes programming for youth. Disenfranchised youth can become frustrated by limited opportunities, and as a result they may be drawn into conflict, crime, and violence. Yet, youth have enormous potential when they are provided with expanded opportunities. Recent research has emphasized a potential demographic dividend for economic growth in countries with a growing proportion of working-age population.<sup>20</sup> Similarly, youth dividends can be sought in DRG as the talents of tech savvy youth can be harnessed to build greater participation, engagement in political processes and a more robust democracy. USAID's *Youth in Development Policy* outlines principles and approaches that can be incorporated into strategies and programs.<sup>21</sup>

**USAID's inclusive and integrated development approach empowers and elevates the protection of women and girls, persons with disabilities, LGBT individuals, displaced persons, indigenous individuals and communities, youth and the elderly, and ethnic and religious minorities.**

**These groups often suffer from discrimination in the application of laws and policy, and may be subject to persecution. To ensure that Agency programs and policies address the needs of historically marginalized groups, USAID has created the following Coordinator or Special Advisor positions: Gender Equality and Women's Empowerment, Disability and Inclusive Development, LGBT, Children in Adversity, and Indigenous Peoples.**

<sup>20</sup>The demographic dividend refers to the potential for accelerated economic growth resulting from changes in a population's age structure as a country transitions from high to low rates of fertility and under-five mortality. With an appropriate enabling environment, adequate education, and suitable skills preparation, the resulting large working age cohort has the potential to engage in productive economic activities and save at relatively high rates, spurring heightened economic growth.

<sup>21</sup>USAID, *Youth in Development: Realizing the Demographic Opportunity* (Washington, DC: USAID, 2012).

Citizen engagement is greatly facilitated by the explosive growth of information technology that has democratized communication. USAID is increasingly integrating technological innovations into its DRG portfolio to enable democratic progress by leveraging mobile technologies, social networks, and youth engagement. These new information communication technologies can present new challenges to democracy as some governments monitor and control access to the Internet, but they also present powerful new opportunities for citizens to participate in public policy decisions and hold their governments accountable. To leverage technological advances for civic engagement and government accountability, USAID has launched a Grand Challenge for Development *Making All Voices Count* in partnership with DFID, SIDA, and the Omidyar Network. This initiative seeks to focus global attention on

### **Approaches to Supporting Civil Society in Restrictive Environments:**

**Prevention and Mitigation:** Monitor relevant developments closely, particularly the legal enabling environment in the country. Develop real-time responses to threats to civil society through diplomatic pressure and support local CSO advocacy on these issues. These efforts, when done in a coordinated manner with other donors, international financial institutions, private companies, and CSO partners themselves, have been effective in reshaping, mitigating, and in some cases, rolling back restrictive laws.

**Adaptation:** Engage creatively with CSOs even as space is closing. These efforts include assisting local CSOs to develop the capacity to manage new regulations and supporting local CSOs across all development sectors, such as women's economic empowerment or health, as well democracy, human rights and governance. Programs should be designed with flexibility in mind to adapt quickly to changing conditions.

**Continued Support:** Even when space has been severely constricted, support for civil society has continued often through other platforms with a focus on information security and technology to provide virtual assistance.

innovative solutions to amplify the voices of citizens and to enable governments to listen and respond, with the goal of fostering more democratic and effective governance, particularly in emerging democracies.

A critical challenge to promoting citizen participation is the closing space for civil society in some parts of the world. Restrictive media and NGO laws, and, in many cases, harassment or persecution of civil society activists, act to limit freedom of association and speech offline, as well as online. Civic organizations are responding, individually and collectively, to defend their rights. These organizations are some of our most important development partners and they must be able to operate freely in their societies. USAID is strongly committed to supporting civil society and standing up for fundamental rights, including the freedoms of association and speech, wherever they may be threatened. USAID works to help civil society actors continue to operate challenging and restrictive environments in three ways: prevention and mitigation; adaptation; and continued support. (See text box) At the same time, inspiring examples of growing civic engagement and expression have emerged across the globe, including in parts of the Arab world and in Burma. Where these openings occur, USAID supports the aspirations of people to contribute to the decisions that shape their own lives and societies.

To achieve this Development Objective, USAID focuses on four sub-objectives:

#### **Sub-Objective 1.1: Assist civil society and government partners to advance civil and political rights, including the freedoms of expression, association, peaceful assembly, and access to information.**

Freedom of expression, association, and assembly are the *sine qua non* of democracy. The open competition of ideas is essential to a democratic political process. Political actors, civil society, the private sector, labor, media and citizens from all corners of society need to be able to express their views without restriction or fear of government retaliation. USAID will continue to support civil society advocates and rights defenders who struggle to exercise their internationally recognized guarantees of free speech, association, and assembly. Where appropriate, USAID supports constitutional or legal reform processes where such rights can be enshrined. Moreover, civil society, independent unions, media and political parties must be able to form and operate without undue government interference. USAID will continue to invest in improving and protecting the legal and regulatory environment for such organizations around the world.

**SUB-OBJECTIVE 1.2: Promote politically engaged and informed citizenries, active civil society organizations, organized labor, independent and open media, and representative political parties.**

A robust democratic process requires an active and engaged citizenry. Broad-based engagement in civic and political life contributes to a dynamic exchange of ideas in a society and inclusive political processes. Civic education can play an important role in building a democratic culture and developing an informed citizenry. USAID will continue its robust support for civil society organizations globally, including unions and business associations, carefully tailoring its approach to the local context and focusing on sustainability. USAID also focuses on developing open, sustainable media sectors that provide a variety of viewpoints and ensure the free-flow of ideas and information. USAID interventions will be especially mindful of advances in technology that facilitate citizen journalism and digital media. These programs promote and protect opportunities for citizens to add their voices to public debate. Political parties also play an indispensable role in democratic political systems in ensuring citizen representation and participation. Far too often, however, political parties operate as closed, elite groups that poorly represent the interests of their constituents. USAID investments in political party assistance will continue to promote open and competitive multiparty systems, with representative political parties.

**SUB-OBJECTIVE 1.3: Support the implementation of participatory governance by state institutions, including at the sub-national level.**

Representative democratic governance requires that state institutions provide meaningful avenues for citizen participation free from coercion or intimidation. USAID emphasizes the institutionalization of inclusive, participatory processes at national and sub-national levels of government. Participation should be implemented in arenas that reinforce, not supplant, the representative institutions of government and elected officials. At the local level, USAID supports decentralization of government with an emphasis on citizen engagement in local decision-making processes, such as through participatory budgeting processes and public-private dialogue for economic development priorities. At the national level, USAID invests in legislative strengthening processes that include the involvement of citizens, civil society and the private sector, such as through the establishment of public hearings and improved constituency outreach. At all times,

assistance programs will be careful to avoid supporting systems that offer only the façade of participation.

**SUB-OBJECTIVE 1.4: Support the fair and impartial establishment and implementation of policies and laws.**

Establishing an impartial rule of law and system of governance that treats all citizens fairly is fundamental to democratic and economic governance. USAID's DRG programs seek to ensure fair access by all groups to genuine political representation, mechanisms of political participation, and to public benefits. However, in most countries, some citizens may face barriers to accessing state services, participating in political processes or pursuing livelihoods due to their geographic location, age, sex, or other factors. Moreover, many historically marginalized groups, such as ethnic and religious minorities, face discrimination in the application of policies, laws and practices. USAID supports this objective in part by promoting rule of law and working with justice sector institutions to promote judicial reform and expand access to justice. Other approaches may include inclusive voter registration, advocacy for legal reform to eliminate discriminatory laws and policies, and enhanced access for persons with disabilities. Legal frameworks should establish individual property rights, enshrined in the Universal Declaration of Human Rights, which are the foundation of equitable economic growth.<sup>22</sup> Respect for property rights is also widely acknowledged as an important basis for the development of a middle class, which often serves as a key supporting demographic group for democratization. By empowering citizens to exercise their civil rights, they are better able to confront and prevent illegal seizures of property and ensure fair application of these rights.

**DEVELOPMENT OBJECTIVE 2:  
Foster greater accountability of institutions and leaders to citizens and to the law**

In many developing countries, states govern without adequate regard for the needs, interests or preferences of their citizens. Political systems in which citizens have few mechanisms to engender changes in policy and leadership consistently produce unsatisfactory government performance and policy outcomes and endemic corruption.

<sup>22</sup>The Universal Declaration of Human Rights provides in Article 17 that "(1) Everyone has the right to own property alone as well as in association with others, and (2) No one shall be arbitrarily deprived of his (sic) property."

Accountability refers to the systems, procedures, and mechanisms that ensure public officials and institutions perform their stated duties and uphold their responsibilities while imposing constraints on their power and authority. Accountability is a central and defining concept of democratic political systems that goes hand-in-hand with transparency. Low levels of accountability and transparency create a fertile environment for corruption. Widespread corruption is often a symptom of governance problems that limit accountability. These problems include: 1) entrenched political elites; 2) capture by special interests; 3) regulatory capture; 4) limited political pluralism and competition; 5) economic monopolies and oligopolies; 6) weak oversight and advocacy from civil society organizations (CSO) and the private sector; 7) a lack of transparency in government decision-making and procurement; 8) insufficient diversity and independence in the information environment; 9) underdeveloped legal frameworks favoring privileged elites; and 10) a lack of judicial independence or capacity. Although improvements in each of these institutional and procedural spheres will not eliminate corruption on their own, they can serve to greatly limit its scale.

Across the globe, advances in communications technology are enabling citizens to increase demands for greater accountability from their governments. As communications technology has dramatically increased citizen access to information about their government's actions – or inactions – societies have raised their expectations. Citizens have also become more aware of widespread corruption by government officials, further strengthening the demand for accountability.

In functioning democracies, governments operate with the consent of the governed. The authority that citizens confer to elected officials is limited, provisional and subject to recall through regular elections or other arrangements (such as impeachment).

Accountability requires three conditions: 1) transparency in the relationship between citizens and government officials; 2) a sense of obligation and a public service ethos among government officials to be responsive to citizens; and 3) the power of citizens to sanction, impose costs or to remove government officials for unsatisfactory performance or actions.<sup>23</sup>

Those who serve in democratic governments also bear an inherent responsibility to uphold the constitution and the laws

that have been enacted through democratic procedures and institutions. While all law-based political systems call for accountability to legal strictures, accountability to law in democracies is based on rules that reflect the popular will, and on explicit ethical standards and principles.

Many USAID DRG programs take a systems-based approach to address the accountability gaps that lie at the heart of corruption and poor governance by supporting the strengthening of institutional architecture for accountable governance, and addressing the incentives, structures and processes that enable the diversion of resources for private gain. USAID works with

**The Open Government Partnership (OGP) is a multilateral initiative that secures commitments from participating governments to address transparency, civic participation, anti-corruption, and use of technology and innovation to make government more open, effective, and accountable. To join the OGP, participating countries must endorse the Open Government Declaration; devise a country action plan formulated through a public consultation process; and commit to independent reporting on future progress towards OGP goals. The OGP was formally launched in September 2011, and now includes more than 50 governments. See <http://www.opengovpartnership.org/>**

partner governments to promote increased transparency and openness. DRG programs also build intra-state (horizontal) accountability by strengthening state institutions (parliament, the judiciary, executive branch agencies) to act as a check on other branches of government. Equally important is citizen-driven (vertical) accountability. USAID supports civil society and media to help grow the demand for effectiveness and transparency in all levels of government.

Strengthening economic governance, which includes “the structure and functioning of the legal and social institutions that support economic activity and economic transactions,” goes hand-in-hand with broader reforms to enhance accountability and transparency.<sup>24</sup> USAID also supports international efforts such as the World Bank's *Doing Business* project that provides

<sup>23</sup>This formulation is adapted from Sina Odugbemi and Taeku Lee, *Accountability Through Public Opinion* (Washington, DC: The World Bank, 2011).

<sup>24</sup>Avinash Dixit, “Governance Institutions and Economic Activity,” *American Economic Review* (2009, 99:1), 5.

**Corruption** is defined by Transparency International as “the abuse of entrusted power for private gain.” While virtually no form of government, including consolidated democracies, is immune from corruption, non-democracies appear particularly prone to endemic corruption.

Transparency International, Plain Language Guide, (Transparency International, 2009) 14.

[http://www.transparency.org/whatwedo/pub/the\\_anti\\_corruption\\_plain\\_language\\_guide](http://www.transparency.org/whatwedo/pub/the_anti_corruption_plain_language_guide)

transparent indicators to benchmark the quality of governance, and provides citizens with useful information for holding governments accountable for results.<sup>25</sup>

In addition, USAID supports free and fair electoral processes that enable citizens to exercise their right to elect their leaders. A fair election that reflects the will of the people and allows citizens to replace or renew the mandate of their elected leaders is the ultimate form of accountability of leaders to citizens.

To achieve this development objective, USAID focuses on four sub-objectives:

### **SUB-OBJECTIVE 2.1:**

**Provide electoral assistance that enables citizens to exercise their right to select and replace their leaders through periodic, free and fair elections.**

The ability of citizens to elect legislative, executive and local officials provides an incentive for incumbents to govern ethically and in the interests of their constituents. Electoral processes offer political parties and civic groups an opportunity to encourage public debate, to mobilize supporters and to offer alternative platforms. USAID will continue to invest in promoting more free, fair and credible electoral processes that enable the legitimate contestation of ideas for political power. Context permitting, USAID will help strengthen independent election bodies to administer elections more effectively. USAID will further invest in effective electoral oversight and improved legal frameworks for open and competitive multiparty systems.

### **SUB-OBJECTIVE 2.2:**

**Support the ability of civil society and independent and open media to provide oversight and an informed critique of government.**

CSOs, the private sector, and independent and open media – including social media – facilitate the articulation of public “demand” for transparent, accountable and inclusive governance by monitoring how state officials use their powers, raising public concern about abuses of power, recognizing positive examples of public service, and lobbying for access to information, including through freedom of information laws and other institutions that strengthen integrity and control corruption. USAID will invest in building the capacity of CSOs to perform analytical research, gather data, present findings, and advocate on issues that promote accountable governance. USAID also supports direct CSO engagement with governments regarding their performance in policy reform and service delivery, such as through citizen report cards or community scorecards. USAID will continue to support pluralistic, independent, and open media, including through the development of investigative journalism skills and professional reporting on government and leadership performance.

### **SUB-OBJECTIVE 2.3:**

**Strengthen institutions and systems that enable the rule of law and checks and balances among branches of government.**

Accountability to law and to constitutional norms is important not only for dividing, balancing and restraining political power, but also for preventing the “tyranny of the majority” and for upholding fundamental human rights and civil liberties. The architecture of democratic institutions generally contains mechanisms that hold the executive branch accountable to the legislative and judicial branches. Critically, executive branches must respect judicial independence and enforce or abide by judicial decisions. Legislatures must also submit to judicial review of the constitutionality of legislation. In the absence of judicial independence and impartiality, democracy cannot flourish, and economies suffer. USAID will continue to strengthen the institutional and decisional independence of judiciaries; develop judicial self-governance; and introduce best practices in judicial effectiveness, such as court management and administration, judicial selection, and discipline, among other activities. USAID will continue to offer timely support for the institutional development of oversight bodies, including legislatures and auditor

<sup>25</sup>Doing Business measures the quality of business regulation in 183 economies through measures of time, costs and complexity of government interaction with economic activity, such as ability of a company to enforce a contract, obtain a license or open a business. The indicators act as a crude but reform-inspiring measure of governance in the economic sphere. See [www.doingbusiness.org](http://www.doingbusiness.org)



general's offices, as well as work to develop more transparent and participatory law-making processes. In many situations, accountability and oversight of security sector institutions is needed to consolidate democratic gains.<sup>26</sup>

**SUB-OBJECTIVE 2.4:**  
**Assist state institutions at all levels in delivering on the mandates of their offices, fulfilling the public trust, and providing public goods and services through transparent and responsive governance.**

In accordance with *USAID Forward's* focus on local solutions, USAID will build the capacity of local and national government institutions to be responsive to citizen needs and demands, and provide public goods and services in a transparent and ethical way. Along with participatory governance processes outlined in Sub-Objective 1.2, capacity building activities focus on the quality of democratic forms of governance. Elected, appointed and civil-service personnel at national and sub-national levels must perform according to a set of ethical standards and values associated with public service. In addition, they should make informed, transparent decisions and possess the skills, knowledge and experience to perform their stated duties. Formal and informal accountability mechanisms impose constraints on public power and encourage officials to act in the public interest. Without such measures, scarce public resources may be squandered and mismanaged, and public benefits may be skewed to unelected elites. USAID will implement anti-corruption efforts that both support the demand for more accountable public officials, and the public sector reforms that are required to make them work, including reforms and strengthening of institutions of economic governance such as commercial courts and bankruptcy codes, particularly when such institutions do not fairly and consistently apply laws and regulations. USAID will continue to support well-planned decentralization initiatives that have the potential to make local leaders more accountable and responsive to local electorates.

**DEVELOPMENT OBJECTIVE 3:**  
**PROTECT AND PROMOTE UNIVERSALLY RECOGNIZED HUMAN RIGHTS**

Advancing human rights is fundamentally linked to development, yet throughout the world billions of people experience lives of poverty with limited freedom or opportunities to

improve their own capabilities. USAID will intensify efforts to protect human rights and prevent abuses, and promote human rights principles as they underpin development.

While respect for human rights has long been understood as a foundational element of democratic governance, human rights protection and promotion is a rapidly evolving field. In 1948, with the adoption of the Universal Declaration of Human Rights, the nations of the world committed to protect a wide range of human rights. Over time, an influential international human rights movement emerged and mobilized local and international actors across borders. More recently, institutions such as the International Criminal Court (ICC), the UN Human Rights Council and country-based truth and reconciliation commissions and human rights ombudsmen offices have given institutional heft to these movements. New international norms such as “do no harm” and “responsibility to protect” have moved from the periphery to the center of international discourse. The U.S. is working to strengthen national justice systems and is maintaining support for ad hoc international tribunals and hybrid courts. Although the United States is not currently a party to the ICC, the USG supports the ICC's prosecution of those cases that advance American values, consistent with the requirements of U.S. law.

**Human rights include the right to be free from violations of physical integrity (such as torture, slavery and illegal detention); the collective rights of all citizens to enjoy political rights and civil liberties; and equality of opportunity and non-discriminatory access to public goods and services.**

New challenges and opportunities are emerging. Technology has created new ways for human rights defenders to mobilize and communicate, but at the same time has introduced new risks. Activists are vulnerable to online surveillance, hacking and website attacks, or even physical attacks or detention due to their online activity. As the Internet becomes increasingly more important for conducting civil society and media work, USAID will remain vigilant in including and integrating programming that addresses the digital sphere, supporting the continued rapid expansion of access to the Internet to as yet unconnected communities, while assuring transparency in the Internet's operations and oversight. Physical threats to human

<sup>26</sup>With the recently released Presidential Policy Directive on Security Sector Assistance, USAID will continue to play a pivotal role to ensure security sector development strategies are part of a larger USG strategy. Taking a systems approach, USAID will, working closely with its USG partner agencies, assist countries in establishing mechanisms to balance the powers of each branch of government and hold all accountable to the general populace.

rights defenders are as significant as cyber threats, and USAID will also commit itself to training in physical security awareness.

In countries with significant human rights abuses, this development objective calls for responding to human rights violations by supporting and protecting human rights defenders and other watchdog groups, including provision of medical, psycho-social and legal services, among others. At the same time it supports more systemic changes in key institutions, especially within the judicial and security sectors. It also includes support for the defense of the fundamental political rights and political liberties that make other democratic processes and institutions possible. In more benign environments, a deliberate human rights lens should be applied across USAID's portfolio to ensure that the Agency's programs are not inadvertently contributing to marginalization or inequality. By using a human rights lens, potential beneficiaries who are most at risk of having their rights neglected or abused – such as LGBT persons, people with disabilities, indigenous peoples – will be better recognized and included in USAID programming. USAID aims to promote and protect human rights, as well as to prevent or mitigate any unforeseen negative impacts of USAID development projects on individuals and communities.

While democracies have a significantly better human rights record than non-democracies, all countries must strive to make the wide range of freedoms, rights, and equality of opportunity a reality for all of their citizens. Human rights promotion is closely aligned with inclusion and fair treatment under law and in practice. Marginalized groups are often denied rights or suffer from outright persecution. Women are deprived of basic property rights in many countries, and in some places are rendered particularly vulnerable to losing their land and homes when widowed. Even when legal frameworks offer protection, they can be undermined by social and cultural norms, with one example being the norms in some countries that prevent girls from going to school in the same numbers as boys. USAID will build on its existing human rights work in three key areas: 1) protecting those most vulnerable; 2) preventing abuses wherever possible; and 3) promoting human rights principles. These areas are interrelated, and often a robust program, such as those devoted to combating trafficking in persons, will involve aspects of protection, prevention and promotion of principles. Stand-alone programs can be designed to support this DO, but it is equally important that a human rights lens be integrated into sector and sub-sectoral assessments, and that such a lens inform all program design and implementation.

Effective human rights work requires engagement and partnership with a wide range of state and non-state actors throughout civil society and the private sector and encouraging

innovation and the application of 21<sup>st</sup> century technology to protection, prevention and mitigation efforts. USAID has recently begun to work with partners to develop web or mobile phone applications to support human rights goals. Examples include a web browser application that helps online shoppers make smart choices by alerting them to products that may have forced or exploited labor in their supply chains and a mobile phone app that allows physicians in developing countries to better document evidence of mass atrocities. USAID is well placed to address these challenges by implementing not only stand-alone human rights programs but tethering human rights to existing rule of law, civil society and governance programs (e.g., access to services including the most marginalized populations). USAID will also integrate a human rights lens into program design and implementation throughout its broader development portfolio, as described below in DO 4.

To achieve this Development Objective, USAID focuses on three sub-objectives:

### **SUB-OBJECTIVE 3.1** **Support mechanisms for protection, mitigation and response to violations against human rights, in particular human rights violations affecting the most vulnerable.**

USAID will support mechanisms to protect human rights and respond to abuses, with an emphasis on particularly vulnerable populations – that is, those whose status renders them most at risk to human rights abuses. Programs can include support to human rights defenders, including women activists who are often targeted, assistance to victims of organized violence and torture, and assistance to CSOs for human rights monitoring activities. Protection and mitigation activities can develop the institutional architecture to support victims and enhance access to justice, such as support for human rights-specific justice institutions and human rights ombudsmen offices, or through judicial reform. USAID also seeks to empower vulnerable groups, such as indigenous peoples, by protecting against illegal seizures of property, whether through large land confiscations or targeted condemnations of individual holdings. Support for transitional justice mechanisms that provide accountability, truth and reconciliation, redress, and institutional reform in the aftermath of systematic human rights violations and mass atrocities can promote reconciliation within societies and restore civic trust in public institutions. Assistance directed toward mechanisms such as criminal prosecutions, truth-seeking, national dialogue, memorialization, vetting, and reparations can enable development and bring about more peaceful, prosperous, and just societies.

**SUB-OBJECTIVE 3.2:****Prevent violations by strengthening human rights frameworks, institutions and oversight.**

USAID works to prevent violations of human rights through a range of programs to ensure that rights are recognized, established and respected in practice. USAID programs will strengthen demands for reform of systems that give rise to such abuses and lack accountability. Support for human rights institutions, such as human rights commissions and national ombudsmen, are other examples of areas of USAID programming aimed at preventing violations by advancing respect for human rights. Prevention activities build the capacity of and empower vulnerable groups and historically disenfranchised populations, strengthen legal frameworks for their protection, and monitor their implementation in practice. A particular focus of USAID's work in this area includes atrocity prevention, monitoring and tracking human rights abuses, and combating trafficking in persons. Legal protections in the economic sphere are also of vital importance, such as the reform of inheritance laws that discriminate against women and girls, or recognition of customary property rights among traditional communities.

Effective prevention efforts entail outreach to and partnership with civil society, the private sector and other non-state actors, as well as civic education. Respect for rights is not solely a government responsibility. Human rights issues such as violence against women, violations of labor rights and discrimination against minorities are issues that require societal change, in addition to legal protections.

**SUB-OBJECTIVE 3.3:****Promote human rights principles in accordance with universal values and international norms.**

The promotion of human rights principles can encourage evolving norms to reflect respect for human rights and democratic values. Democratic values, such as the rights of women to participate in political processes and receive an education, are deeply aligned with respect for human dignity and human rights. Promoting human rights principles through education, advocacy and support for activists can encourage these values as part of the social and political discourse. USAID activities that promote human rights principles include strengthening the advocacy capacity of CSOs, broad-based civic education, training journalists to better understand these principles, and reforming laws to better reflect such principles.

**DEVELOPMENT OBJECTIVE 4:****Improve development outcomes through the integration of democracy, human rights and governance principles and practices across USAID's development portfolio**

In many developing countries, efforts to foster broad-based economic growth, improve the delivery of public services, and pursue effective development policies continue to be stymied by disparities in economic and political power; corruption, a lack of participatory policy making, and ineffective policy implementation and service delivery. Some governments remain unable – or unwilling – to meet the basic needs of their citizens, even as globalization, climate change and global pandemics render ever more complex challenges to human development.

Integrating core DRG principles, goals, and approaches across USAID's development portfolio, as well as building country ownership, are essential to improving development outcomes. Sustainable improvements in food security, health, education, economic growth and trade, and environmental protection require improvements in rule of law, policy formulation and implementation, public financial management, public accountability, and citizen participation. At the same time, advances in health, education, and economic growth can be leveraged to promote better governance.

Integration is a key part of a strategy to eradicate extreme poverty. The underlying causes that perpetuate extreme

The **aid effectiveness** discourse recognizes that the sustainability of donor initiatives requires the development of, and ownership by partner country governments, civil society organizations and other development actors. These goals are reflected internationally in the *Paris Declaration on Aid Effectiveness*, the *Accra Agenda for Action* and the *Busan Partnership for Effective Development Cooperation*, and domestically in *PPD-6*, the *QDDR*, and *USAID Forward's Local Solutions* efforts, *Public Financial Management Risk Assessment Frameworks*. Participation in the development of budget priorities, access to fiscal information, and vertical and horizontal accountability in the use of government funds, are vital for ensuring strong and accountable country systems.

poverty are not limited to economic factors. Extreme poverty is underpinned by poor and undemocratic governance that leaves communities vulnerable to recurring shocks from conflict, economic downturns and natural disasters; weak and corrupt institutions; and entrenched power dynamics that lead to political and economic exclusion. Sustainable approaches to addressing extreme poverty therefore require improvements in democracy, human rights and governance to develop responsive government institutions capable of providing basic services and fostering inclusive economic growth. Democratic institutions not only encourage citizen participation and the provision of policies and services that are focused on citizen needs, but also provide a legal and policy framework for expanding economic opportunity by securing property rights, enforcing contracts, and regulating markets. Efforts to promote human rights and build inclusive, participatory, and accountable institutions associated with democratic systems will be a key element in efforts to end extreme poverty.

This DO builds upon USAID's existing experiences in addressing governance in sectoral programs. Programs in global health, for example, have long made significant contributions to improving governance of the health sector by improving the policy and legal environment for health; strengthening the government's capacity to plan, execute, and monitor health programs; and increasing accountability. These programs have also worked with civil society to build policy advocacy skills, as well as the capacity to take part in decisions that affect local and national health. These programs directly lead to improved health outcomes and also contribute to promoting DRG overall.

Accordingly, implementation of this DO will strengthen programs that exist primarily outside the DRG portfolio by drawing on DRG approaches, tools, and expertise. Specifically, USAID will work to integrate DRG approaches into the Global Health Initiative, Feed the Future, and efforts on Global Climate Change. All of USAID's development programs should deliberately undertake initiatives to ensure equality of opportunity and access to public goods and services for all citizens, especially vulnerable populations and minority groups, to address the disparities that so often constrain the achievement of socioeconomic development goals. Promoting democratic forms of governance through sectorally focused programs can encourage more responsive forms of service delivery. Applying core DRG precepts such as inclusion, participation, and accountability across USAID's development portfolio will enable the growth of responsive, effective institutions better

able to develop policy, equitably deliver services and monitor the effectiveness of their interventions. This approach contributes not only to improved DRG outcomes, but also to the sustainable attainment of development objectives writ large.

Effective integrated programming requires analysis of the various interdependent factors that underlie a development challenge. Interventions that address development challenges in isolation from the overall politico-economic context are unlikely to yield sustainable results. Therefore, USAID will employ political economy analysis (PEA) and other assessment tools to consider constraints to development holistically across its assistance portfolio and to develop integrated programs that leverage DRG interventions and strategies to support wider development results.<sup>27</sup> DRG approaches are also critically important for successful implementation of USAID's Resilience

**As USAID Missions have employed integrated approaches in addressing socioeconomic development challenges, increasingly evidence has shown a promising linkage between the integration of DRG principles and practices into socioeconomic programming, improvements in sectoral governance and improvements in the delivery, management and oversight of services targeted by these programs. In **Nepal**, the integration of DRG approaches into HIV/AIDS programming, which included capacity development activities targeting local CSO and human rights advocacy training for local CSOs, played a key role in improving the governance and management of HIV/AIDS services and fostering a more inclusive HIV/AIDS response. In **Guinea**, where the Mission undertook a multi-sectoral approach to improving health, education, agriculture and natural resource management outcomes through an emphasis on enhancing democratic governance practices by government and civil society stakeholders, an evaluation found that the integration of political reform and service delivery programming was mutually reinforcing, contributing not only to more transparent and accountable governance practices, but also to the greater utilization of services and improved resource mobilization in targeted sectors.**

<sup>27</sup>Political economy analysis (PEA) explores the interaction of political and economic processes in a society, the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time (OECD DAC). PEA enables an understanding of pressures for or against development efforts and reforms, such as reducing corruption or decentralizing service delivery. PEA can be conducted at country, sector, or project level. For more on PEA, see Thomas Carothers and Diane de Gramont, *Development Aid Confronts Politics: The Almost Revolution* (Washington, D.C.: Carnegie Endowment, 2013).

Agenda, which has an integrated approach based on multi-sectoral analysis and programs that are coordinated with international development partners and in support of effective country plans.

Examples of integrated programming could include: 1) working with economic growth teams to promote bankruptcy reform; 2) supporting land reform by engaging civil society stakeholders, line ministries, and parliamentary committees in broad-based consultations; and 3) improving the transparency and management of resources in the health sector through capacity-building for public financial management paired with support for the development of civil society monitoring organizations and supreme audit institutions.

Effective integration will necessarily require better understanding of DRG principles by non-DRG officers, but will also mandate greater comprehension of other disciplines by DRG officers. The need for improvements in governance spans the full range of USAID technical disciplines: including economic growth, health, and education. Achieving a mutually reinforcing system of project development and implementation across these disciplines mandates enhanced collaboration, coordination, and training.

To achieve this Development Objective, USAID focuses on three sub-objectives:

**SUB-OBJECTIVE 4.1:**  
**Strengthen country-based mechanisms for participation, inclusion and local ownership across all USAID development sectors.**

Integrating participation, inclusion, and country ownership throughout USAID's portfolio, including in work on education, health, economic growth, and climate change, can contribute to more responsive governance, build local capacity, and lead to more sustainable development outcomes. Technical input should be accompanied by critical consensus-building elements that enable participation, inclusion, and local ownership. An inclusive process of reform can build the stakeholder legitimacy that underpins effective action. USAID's development programs should ensure that all relevant stakeholders are included in reform discussions and be given a meaningful chance to participate. This process can be carried out through notice-and-comment requirements for policy directives, through formal meetings between public and private sectors, or through other means.

Effective participation requires a wide range of public and private sector actors, and should be sought at national, regional, and local levels. Often, greater opportunities for citizen engagement exist at the local level. Therefore, partnerships will include sub-national and municipal actors, and will include appropriate legislative and judicial authorities at each level as well as private sector and advocacy groups. A wide range of activities and approaches can promote participation and inclusion in social sector programs. For example, participatory budget processes can be included in health programs, or user's groups created in natural resource management efforts. Special attention should be made to include and address the unique needs of historically marginalized or vulnerable groups. The private and non-governmental sectors should be deliberately engaged to help government prioritize economic reforms.

**SUB-OBJECTIVE 4.2:**  
**Encourage host governments and civil society to employ legitimate and effective accountability mechanisms.**

USAID will mainstream the goals of accountability and transparency across its development portfolio by supporting country-level mechanisms that bolster the accountability of leaders to citizens and the law. Citizens who are the intended beneficiaries of government programs should be empowered to identify and respond to corruption, provide feedback on service delivery, and provide input on needs and priorities. A range of formal and informal accountability mechanisms can be supported, including citizen oversight committees and enhanced transparency requirements for open government, such as procurement transparency as well as strengthening the offices of the independent auditor. Processes specifically targeted at anti-corruption can be embedded in a range of social sector programs.<sup>28</sup> Technology enables innovative solutions that facilitate the dissemination of information and increased citizen-government interaction that can lead to more accountable policymaking across a broad range of economic and social issue areas.

Enhanced accountability and transparency across all development programming will also enable a greater focus on the transparent and accountable management of foreign assistance programs themselves. This includes the development and scale-up of risk assessment tools and mitigation measures. In environments where transparency is not necessarily commonplace, a USAID program may serve as a model for openness to both governments and citizens. For example, USAID includes local CSOs in its consultations as it devises its CDCSs

<sup>28</sup>A range of illustrative activities specifically targeting corruption can be found in USAID, *USAID Anti-Corruption Strategy* (Washington, DC: USAID, 2005).

in a given country. In developing its CDCS for Indonesia, USAID conducted far-ranging consultations, meeting with more than 1,000 people from national and local government, civil society, private sector companies, academia, and implementing and development partners in the regions of Jakarta, Medan, Pontianak, Makassar, Surabaya, Ternate, and Papua.

### **SUB-OBJECTIVE 4.3:**

#### **Promote equality of opportunity and access to public goods and services, particularly with respect to poor and marginalized populations.**

As USAID works to advance partner countries' capacities to improve their own welfare, it is never enough to assume improvements in national aggregate performance will benefit the poor or disenfranchised. The integration of DRG approaches across all development programs enables a greater focus on the promotion of individual and collective rights as a core objective of USAID's work. This focus can take many

forms, from ensuring that humanitarian services are provided in a non-discriminatory manner that meets the distinct needs of all vulnerable groups, to promoting the provision of health services to vulnerable populations in a non-stigmatizing manner; to ensuring the equitable regulation of business, to mainstreaming the protection of vulnerable groups into policy reform work. Activities to strengthen and reform institutions of economic governance can remove barriers to opportunity, for example, by strengthening property rights, reforming inheritance laws, and updating commercial law and improving its enforcement. Even some of the world's poorest can benefit from enhanced property rights that can unlock access to capital and wealth, and enable them to invest in their own prosperity. The leveraging of these rights-based approaches will enable the design and implementation of development programs that are better able to identify, affect and enfranchise marginalized groups, leading to more broad-based and sustainable development outcomes.



Voters look for their names outside a polling center in Carrefour, Haiti. Photo: Kendra Hellmer/USAID.

## V. IMPLEMENTING THE DRG STRATEGY

Because political change happens at the country level, USAID will primarily implement the global DRG Strategic Framework through the development and implementation of country-appropriate DRG strategies that are guided by realities on the ground.<sup>29</sup> With the support of regional and global operating units and other USG counterparts, USAID Missions will play the primary role in implementing this strategy by both designing and implementing DRG focused programs, and integrating DRG principles and practices throughout the Program Cycle.

As USAID Missions develop, design and implement their DRG strategies, they should be guided by three factors :

- **The USAID DRG Strategic Framework:** The strategic framework, described earlier, is used by Missions to define and develop programmatic priorities. A Mission's "core" DRG portfolio should be consistent with DOs 1-3, while the remainder of the Mission portfolio should incorporate the principles set forth in DO 4. By focusing on higher level goals, this strategic framework encourages results-driven program design and planning that transcends the four traditional sub-sectoral areas of elections, civil society, governance and rule of law, as well as integrates DRG into the Mission's other DOs.
- **Country Context:** Successful Mission DRG strategic approaches will be based on clearly defined priorities guided by their unique country context. To ensure that these choices are fully informed, this strategy outlines a range of country contexts that can help Missions identify high-level strategic priorities that may be suited to the DRG needs in their country. These country types provide broad outlines of likely challenges faced, as arrayed on a spectrum of political freedom and competition, as well as overarching considerations such as conflict and transitions. This approach will help

Mission management identify higher-level policy issues, help inform interagency and bilateral strategic dialogues, and allow DRG officers to benefit from general lessons learned from USAID strategies undertaken in similar country contexts.

- **DRG Assessments and Social-Sector Political Economy Analysis (PEA):** Strategy and program design depends on solid country-specific information and analysis. Thus, it is recommended that Missions conduct a DRG assessment using USAID's *DRG Strategic Assessment Framework*. In addition, political economy analysis will contribute to the development of integrated programs under DO 4 and should be applied generally to sectors across USAID's portfolio, such as health, economic growth and food security. Other analytical tools, such as USAID's *Constraints to Growth Analysis* and cost-benefit analysis, can provide rich understanding of the social dynamics underlying reform efforts.<sup>30</sup>

### DEFINING COUNTRY CONTEXT

A country's political system and trajectory is one of the more significant factors in determining what the core DRG challenges, priorities, and opportunities are in a given country. The degree of political openness and competition, including economic competition, greatly influences the nature of the DRG challenges in a country, and shapes the opportunities for DRG programming.

USAID works in three (authoritarian, hybrid, developing democracies) of the four country contexts discussed below. While some countries will fit neatly in one of these contexts, many will not. Some countries will have uneven development and have characteristics straddling different contexts. Trajectories will also differ, with some countries progressing and others backsliding.

<sup>29</sup>For the purposes of this section, a country DRG strategy is defined as the DRG portion of existing Mission planning process, both formal ones such as the CDCS (Country Development Cooperation Strategies) or informal ones. These country-level DRG strategies should feed into CDCSs, program design and other USAID planning processes. While considered best practice and consistent with USAID's internal document *USAID Democracy, Human Rights and Governance Strategic Assessment Framework for Strategy Development*, a separate DRG country strategy is not required nor will such a strategy be formally reviewed.

<sup>30</sup>USAID has developed an Inclusive Growth Diagnostic based on the binding constraints work of Ricardo Hausmann, Dani Rodrik, and Andrés Velasco, "Growth Diagnostics," (Cambridge: Harvard University, October 2004).

The country contexts described below can help Missions identify high-level strategic challenges and opportunities they may face. Country specific assessments are recommended to develop an effective strategy, make fully informed decisions on focus and selectivity and lay out the foundations for the design and implementation of high impact programs.

This section provides an introduction to four country categories and three special considerations (transitions/fragility, conflict, and backsliding). The guidance contained in this section can be useful in highlighting approaches that have been found to be appropriate in countries facing similar constraints and opportunities.

The country types are described below:<sup>31</sup>

**1) Authoritarian Regimes:** The space and scope available for USAID DRG programs vary in restrictive environments. Because autocrats and allied elites maintain firm control over a political process that limits the meaningful participation of citizens, DRG strategies in these countries typically strengthen democracy and human rights activists outside government by working with NGOs, watchdog groups, independent media and political parties that are committed to democratic principles and value fundamental freedoms. Ensuring citizens' access to independent information sources is critical in these environments. USAID seeks opportunities to build civic expression and enhance political pluralism where possible. In authoritarian environments, it is important to avoid support for government-created facades of participation. Programmatic options include working at the local level, where opportunities for grassroots engagement may exist, and promoting stronger business and civic associations that can advocate for change. In addition, supporting pockets of independent and open media, in an environment where government-media dominates, can bolster independent expression and strengthen impartial channels of information to citizens.

Integrating DRG principles and practices into other development sectors such as health and education may offer opportunities to open up participation and accountability in social sector governance, and achieve meaningful DRG results. However, caution must be taken to avoid having development assistance used to enhance the legitimacy of a repressive regime. Protection and promotion of human rights in these repressive contexts will be high on the agenda. Ties should be strengthened between domestic CSOs and human rights organizations and regional and international civil society networks. In truly restrictive environments, USAID assistance may

prioritize support for CSOs' physical and cyber security needs and operations. Civil society work should include the creation or support of small business and economic associations, especially where an official chamber of commerce represents vested interests at the expense of economic competition. Independent trade and industry associations, where they exist, can create a political base for advocacy and change.

**2) Hybrid Regimes:** USAID's approaches in hybrid countries vary considerably due to the uneven nature of political development in these countries, and the breadth of countries that fit this category. Hybrid countries are an expansive category, which includes regimes ranging from repressive semi-authoritarian regimes to political systems with more civil and political freedoms but with no genuine foundation for democratic governance and institutions. DRG strategies in this context generally promote political and economic pluralism and citizen participation to expand the space for meaningful participation, as well as to promote genuine and fair political competition, through electoral reforms or political party assistance. Support to civil society to elevate citizen voice in, and oversight of, political processes is important, as is identifying reformers within the regime itself. CSOs can also play an important role in reinforcing democratic culture through advocacy, citizen mobilization and civic education. Strengthening and protecting an enabling legal and regulatory environment for civil society and media is also important in hybrid regimes. Promoting a more inclusive economic environment through liberalized trade, well-functioning commercial courts and enhanced opportunities for competition can also be useful to break the grip of regime supporters on the political process. This can include support for participation in international rules-based systems, such as the World Trade Organization, or regional tariff agreements, which utilize external pressure for government accountability to international norms. Often, there are particular ministries or other state actors more open to transparent and participatory processes that could benefit most from DRG assistance. Given the breadth of development challenges hybrid countries face, there may be additional opportunities to address issues of inclusion, transparency and accountability through integrated social sector and economic growth programming. USAID also supports the protection and promotion of human rights in these contexts, as well as prevention activities, where human rights are selectively denied.

**3) Developing Democracies:** DRG programs in developing democracies aim to shore up progress and to create democratic institutions and culture that are self-correcting in the face of crisis. Unlike consolidated democracies, evidence

<sup>31</sup>This country typology is derived from a number of sources including existing USAID policy and program guidance (such as the CDCS guidance), USAID's internal *DRG Strategic Assessment Framework*, and the Economist Intelligence Unit *Democracy Index* country typology and Freedom House's *Freedom in the World* index.



exists that developing democracies are vulnerable to reversal even if the present climate seems positive. Real progress can be made in strengthening mechanisms of accountability and participatory political processes as the necessary pockets of political will needed to implement these reforms may exist. A key consideration is to accurately identify both reform supporters and spoilers to ensure that USAID programs are targeted to enhance consolidation. Assessments at both the sector and sub-sector level can help USAID Missions identify and target windows of opportunity to work with civil society, political parties and government counterparts to institutionalize sustainable reforms and to introduce public-private dialogue throughout government. These assessments are also useful in helping USAID identify programs for phase out and for transition to host country systems ownership and implementation as these countries move toward consolidation. In developing democracies, government partnerships can be cultivated to integrate DRG practices into a wider range of core development sectors, such as health, food security and a range of service delivery sectors. Strong CSOs similarly provide opportunities for partnerships on key DRG issues as well as service delivery.

**4) Liberal/consolidated democracies:** Consolidated democracies are not targets for USAID DRG assistance. In these countries, basic political freedoms and civil liberties are respected and reinforced by a political culture conducive to democratic processes. These countries can serve as models and partners for the promotion and strengthening of democracy, human rights and governance in the international arena. In some countries, USAID will continue to be active in other sectors after DRG assistance is phased out. In those cases, thoughtful programming in other sectors, such as economic governance, or improvements to business regulation and commercial courts provides an opportunity to continue to promote the consolidation of democratic gains. **Annex II** provides additional guidance for DRG phase out and moving from assistance to partnership.

## OVERARCHING CHARACTERISTICS

This typology differentiates countries primarily along a continuum of political competition and freedom. Yet, there are other significant contextual characteristics that affect not only the nature of the DRG challenges, but go to the heart of USAID's entire development mandate in a country. After fitting into one of the contexts described above, a country may then be additionally identified as having "conflict/fragile," "transitional" or "backsliding" characteristics that will further shape the DRG strategy.

- Conflict and fragility can be seen in all country types, but most often emerge in hybrid and developing democracies. Conflict dramatically disrupts development and weakens social and political institutions. In addition, USAID works in countries along the spectrum of fragility, including countries experiencing breakdowns of law and order; citizen insecurity, and narco-trafficking, which threaten the legitimacy and stability of the state. Without a certain level of order and basic security for citizens, no form of government, including democracy, can adequately serve the needs of its citizens and improve their quality of life. As result, conflict and fragility will in many cases strongly constrain and condition paths to democracy.
- Transitions are characterized by fundamental transformations of the political order: Profound transformations of political (and often social) institutions may render these countries unable to be clearly situated within one of the country contexts. These fluid environments require rapid action, and a balanced attention to immediate as well as longer term institutional needs.
- Backsliding countries are those hybrid or developing democracies that have progressed along the democratic continuum, only to later retrench due to political elites seeking to consolidate power and restrict freedoms. The existence of backsliding in a country requires a shift in the nature of USAID's policy, strategic and programmatic engagement.

Each of these characteristics has implications for DRG programming, as discussed below.

### **Conflict/Fragility**

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Violent conflict takes a heavy toll on social, economic and political development. Internal conflict causes tremendous human suffering, with a disproportionate share affecting civilian victims. It discourages investment, destroys human and physical capital, upsets property rights, undermines institutions needed for political and economic reform, and redirects resources to non-productive uses.

Conflict countries experience special challenges with respect to human rights. They may be at risk of acute human rights abuses, including mass atrocities, genocide, gender-based violence and human trafficking, often directed at marginalized or vulnerable groups. These countries generally face significant gaps in governance capacity and rule of law, creating opportunities for impunity and abuse. Moreover, institutions for reconciliation and restorative justice are often weak.

In conflict environments, USAID approaches should complement the *New Deal for Engagement in Fragile States*, a developing world initiative borne out of the *International Dialogue on Peace Building and State Building*.<sup>32</sup> Its focus on five peace building and state building goals of inclusive politics, security, justice, economic foundations and accountable delivery of services may serve as a roadmap for developing country-specific approaches, based on other countries successful transitions from conflict.<sup>33</sup> Programming should also be informed by USAID's *Guide to Economic Growth in Post-Conflict Countries*, which provides additional resources for understanding the complex interplay of economic and political forces in conflict-affected environments. Economic progress in post-conflict settings can be essential to demonstrating the benefits of peace.

DRG is vital to increasing resilience in areas of chronic poverty that are vulnerable to recurring crises, as inclusive governance is one key to addressing this challenge. As stated in USAID's policy and program guidance on *Building Resilience to Recurrent Crisis*, communities need adaptive capacity and the ability to reduce risk. Building adaptive capacity allows communities to respond to change, and includes "ensuring that social systems, inclusive governance structures, and economic opportunities are in place."<sup>35</sup>

USAID's DRG programming in conflict environments works on both the supply side and demand side. From protection work with marginalized and at-risk populations at the point of crisis to immediate efforts to initiate participatory local governance practices, DRG approaches should be tailored to respond to local conflict dynamics and build on local examples of resilience. USAID supports moderate voices and reconciliation efforts. The record of successful transitions out of conflict shows that attention to the issues of jobs, security and justice has been crucial to making these transitions sustainable.

Conflict and fragile environments are often home to terrorist organizations, violent extremists, narco-traffickers and other illicit groups that can pose a direct threat to the national security of the United States and our allies. Therefore, USAID DRG programs must be particularly well integrated into whole-of-government approaches in these situations. DRG activities must continue to work toward facilitating real democratic progress in these countries, but must be sure to do it in a way that also supports broader national security interests.

## Transitional Contexts

USAID has a long history of responding to rapidly changing country contexts, ranging from transitions from conflict to peace, to political transitions, to transitions from fragile to stabilizing states. From innovative, quick impact programmatic approaches implemented by USAID's Office of Transition Initiatives to rapid response funding by the DRG Center, USAID has developed an array of tools to respond to these changing environments.

Transitions from conflict to peace are characterized by the need for fast and flexible action, support to a peace process, peace accord implementation, consolidation of gains made during the peace process (as more than half of all peace agreements fail within the first 10 years of signature), national dialogues and reconciliation processes and effective state building. Transitions in fragile states that are stabilizing or improving are characterized by a transformative political, social or economic reform process that has gained momentum or new sources of support and which is inclusive of women and other potentially marginalized populations. USAID's approach in these states focuses on supporting the reform process and sources of resilience, including democratic and economic institutions that enjoy credibility and are able to deliver on the promised reforms. In addition, USAID has developed a plan to implement the United States National Action Plan on Women Peace and Security to address women's needs as an important part of our approach in transition environments.<sup>36</sup>

Transitions in fragile states that are deteriorating are characterized by evolving social, political, and economic and security dynamics that undermine stability and damage the social contract that exists between the government and citizens. Support to transitions in these states requires analysis of the sources and drivers of fragility as well as options for preventing or slowing continued destabilization while simultaneously defining and implementing solutions to catalyze a transition process.

The challenges to the establishment of enduring democratic institutions and effective human rights frameworks during transitions are wide-ranging. These challenges include the high and often unrealistic expectations citizens may have in a post-transition environment for immediate socio-economic benefits and visible improvements in governance. Spoilers from the pre-

<sup>32</sup>See <http://www.pbsdialogue.org/documentupload/49151944.pdf>

<sup>33</sup>The USG is supporting Liberia and Somalia as pilot New Deal countries, with a commitment to align program investments with a country compact based on the five goals.

<sup>34</sup>USAID, *Guide to Economic Growth in Post-Conflict Countries* (Washington, DC: USAID, 2009).

<sup>35</sup>USAID, *Building Resilience to Recurrent Crisis: USAID Policy and Program Guidance* (Washington, DC: USAID, 2012), 10.

<sup>36</sup>*United States National Action Plan on Women, Peace and Security* (Washington, DC: The White House, 2011).

transition regime may still play a significant role in political processes, inside or outside of the transitional government. Transitional leaders may be new to governing. In addition, youth can play an important role in advancing democratic transition, so care must be taken to protect youth from being exploited by political elites or becoming disaffected as a result of their exclusion from the national dialogue.

These issues are complex, and USAID must balance the need to respond rapidly to immediate needs with the need to establish the foundational institutions for durable democratic governance and human rights systems. The decisions made in the early transition period regarding security sector reform, economic governance, constitutional structures, electoral systems and other key institutional and frameworks require careful attention given their lasting significance and impact.

### **Backsliding Contexts**

Hybrid and developing democracies are vulnerable to backsliding in which citizen rights and freedoms are rolled back and democratic institutions weakened. In recent years, a number of countries that were once on a positive democratic development trajectory were later reversed by increasing concentration of power in the executive. Democratic backsliding in these environments usually has one or more of the following characteristics: 1) amending constitutions to increase executive power and eliminate term limits; 2) amending the political party or electoral laws to reduce electoral competition; 3) eliminating progressive legislation that provided equal rights to women and minorities; 4) amending NGO and media laws to make it more difficult for opposition voices to be legally heard; 5) utilizing more sophisticated forms of electoral fraud to gain or maintain political power; 6) inconsistently applying civil, tax and bankruptcy codes and giving unfair advantages to selected supporters; 7) “legal” harassment of opposition leaders and journalists for non-political crimes such as tax evasion or financial crimes; and 8) at its worst, extra-judicial killings and forced disappearances.

USAID’s ability to partner with CSOs has been made increasingly difficult due to the closing of political, social and economic space for CSOs in a disturbingly large number of U.S. development partner countries. In restrictive operating environments, USAID monitors relevant developments closely, particularly vis-a-vis the legal enabling environment in the country, and responds to threats to civil society through diplomatic pressure and supports local CSO advocacy on these issues. In addition, USAID engages creatively and sustains CSOs, even as space is closing. These efforts include assisting local CSOs to develop the capacity to manage new regulations and supporting local CSOs across all development sectors, such as women’s eco-

nomics empowerment or health, as well as democracy, human rights and governance.

In these difficult environments, DRG strategies attempt to shore up democratic institutions and political culture, and preserve space for media and citizen voice. Support for a more positive legal enabling environment for civil society, support for media platforms, and electoral oversight are examples of the many programmatic options that may be suited to backsliding countries. In addition, opportunities may exist to use technology to combat backsliding and to work to empower women’s activism and political engagement. Illustrative activities are referenced under DO 1, which describes efforts aimed at fostering greater inclusion and participation.

## **ASSESSMENT AND STRATEGY DESIGN**

Strategy and project design require an in-depth knowledge of the local context, its challenges and needs, and windows of opportunity. At the DRG sector level, USAID’s *DRG Strategic Assessment Framework* provides a guide for constructing DRG country strategies. It advances a political analysis of the country, informing program choices, and incorporating what researchers and practitioners have learned from comparative experience. The DRG assessment will primarily guide Mission implementation of DO 1-3 of this strategy. The DRG assessment tool helps Missions define the broad sub-sector areas of work on which DRG projects will focus. In addition, the assessment will identify a government’s underlying interests (or lack thereof) in reform across the entire Mission portfolio. Economic analyses, such as USAID’s *Constraints to Growth* analytics and cost-benefit analysis, can complement the political understanding for DO 1-3, as well as ensure better integration across program areas.

At the sub-sector level, targeted assessments can help Missions identify specific opportunities, constraints and challenges in component areas of work, such as elections, media, civil society development, and rule of law. Sub-sector analyses usually build on the strategic level findings of a DRG assessment, and go into a greater level of depth needed for specific program design.

In order to successfully implement this strategy’s DO 4, social sector assessments should ideally include a PEA that incorporates stakeholder analysis and considers the power relationships and resources influencing the underlying dynamics of a sector. Political economy analysis provides a more comprehensive examination of the interaction of political and economic structures, institutional contexts, major actors, and processes of change.

## VI. USAID'S ROLE IN ADVANCING DRG

A strong bipartisan consensus for USAID's central role in helping to lead U.S. assistance for DRG dates back several decades. USAID's approach to DRG assistance has also been proven effective. An independent quantitative study conducted in 2008 by a U.S. academic team concluded that USAID DRG programs were, on average, associated with clear increases in democratic performance, as measured by two leading indices.<sup>37</sup> While country contexts and challenges may vary, progress in democratic development is clearly correlated with DRG programs.

### COORDINATING AGENCY IMPLEMENTATION OF THE STRATEGY

USAID's extensive network of DRG officers in the field and in Washington, D.C. is trained to engage in systematic analyses of the DRG challenges and opportunities within different country contexts and collaborate with colleagues in USAID's technical cadres and to address common challenges across Missions' broader development portfolios. As such, USAID DRG officers are best placed to develop multi-faceted and multi-sectoral programs to address DRG-related challenges in any given country.

USAID Washington, D.C. operating units, including regional bureaus, will continue to manage a discrete portfolio of DRG activities (e.g., supporting regional or global institutions or networks, initiating pilot programs to test new approaches, providing incentive funds to Missions). In addition, Washington-based operating units will continue to manage DRG programs in non-USAID presence countries, most often in either transition or highly authoritarian environments.

In 2012, USAID created The Center of Excellence on Democracy, Human Rights and Governance. The DRG Center is

developing stronger partnerships, thoughtful innovations and meaningful results. Learning is at the heart of the DRG Center's mission. The new Center will work closely with Missions to analyze what works best in supporting DRG globally and will disseminate that knowledge to the field, interagency partners and the development community.

Center staff will serve as consultants to Missions and provide technical assistance to the field in assessments, strategy development, program design and evaluation. The DRG Center will continue to manage mechanisms that support Mission programming, manage Congressionally directed DRG-sector funds, provide technical assistance and lead the Agency's evidence-based learning on DRG issues. In cooperation with the PPL Bureau, the Center will also represent USAID's approach to the democracy, rights and governance issues in interagency arenas, ensuring that our investments are coordinated with U.S. diplomatic and defense efforts.

The DRG Center will play an enhanced role in the development of strategies and programs, whether managed in the field or in Washington, D.C. by engaging in portfolio reviews and working with regional bureaus to approve large projects. The Center will serve as the technical leader for DRG Strategy alignment, in partnership with PPL and the DRG Sector Council. The Center will also demonstrate technical leadership and will update and create technical guidance on DRG programming, including how to integrate DRG with other development sectors.

The DRG Center is committed to the vision of inclusive development, which is fundamentally oriented around ensuring the human rights of all people. To enable robust implementation of the strategy, the DRG Center will more consistently engage with Agency Coordinators, especially those addressing gender, LGBT, disabilities, and indigenous peoples. The Senior Coordinator for

<sup>37</sup>The study found that excluding Iraq, "... \$10 million of USAID DG funding would produce ... about a five-fold increase in the amount of democratic change that the average country would be expected to achieve... in any given year." Specifically, the positive impact was such that "\$10 million of USAID DG funding" correlated with an increase of more than one-quarter of a point on the 13-point Freedom House *Freedom in the World* democracy index in a given year— or about a five-fold increase in the amount of democratic change that the average country would be expected to achieve, all things equal, in any given year. Steven E. Finkel, Anibal Pérez-Liñán, Mitchell A. Seligson, and C. Neal Tate, *Deepening Our Understanding of the Effects of U.S. Foreign Assistance on Democracy Building: Final Report* (New Orleans: Vanderbilt University, University of Pittsburgh, LAPOP, 2008), 6.

Gender Equality and Women's Empowerment advances USAID's efforts to address gender issues throughout the Agency's work, and will work with the DRG Center on women's political empowerment and other gender equality issues. The DRG Center will be home to an Indigenous Peoples' Advisor who will assist the Human Rights Team in developing strategies to integrate consideration of indigenous peoples' rights into programs across the DRG portfolio as well as into programs in non-DRG sectors (e.g. food security, health, economic growth, education) across the agency. The Center will similarly draw on the expertise of the Agency's LGBT and disabilities coordinators to ensure that the needs of these groups are better understood and reflected in Agency policy and programs.

## **INTERAGENCY COLLABORATION ON DRG**

Because the advancement of DRG is central to U.S. foreign policy and national security, multiple actors within the USG partner with USAID to help achieve common objectives. USAID is the largest assistance provider within the USG and plays the leading role on development assistance, including in DRG. To ensure that foreign assistance is coordinated with diplomatic efforts, USAID works closely with the State Department both in Washington, D.C. and at the country team level.

Most directly, USAID closely collaborates with the State Department Bureaus of Democracy, Human Rights and Labor (DRL), International Narcotics and Law Enforcement (INL), and Conflict and Stability Operations (CSO), as well as other parts of the Department dealing with issues such as human trafficking, open government and political development. The level of collaboration between USAID and the State Department often includes co-funding programs, as well as joint planning, assessment and design. DRL and USAID coordinate on a range of issues that relate to human rights, political processes, civil society, Internet freedom and labor. USAID will enhance its collaboration with DRL and other parts of the State Department to identify common DRG priority countries and discuss ways to coordinate our diplomatic and assistance tools to reinforce each other.

This collaboration between State and USAID can be particularly effective when conducted at the country level, based on a strong relationship between the USAID Mission and the rest of the U.S. Embassy, through country level coordination bodies such as election working groups and close working relationships between the USAID Mission's DRG Officer and the Embassy Political Officer.

USAID also works in close coordination with the White House and the National Security Staff (NSS) who articulate and coordinate the President's foreign policy vision with regard to DRG.

USAID engages with the NSS on specific DRG issues and countries and participates in a range of interagency forums. USAID also works with other parts of the U.S. Government such as the Department of Justice (DOJ) on rule of law issues and criminal justice reform.

## **ENGAGING WITH INTERNATIONAL ORGANIZATIONS**

USAID is actively engaged in multi-donor DRG forums and will continue to look for opportunities to play a leading role in future efforts. For example, USAID serves a co-chair of the Organization for Economic Cooperation and Development's Governance Network, which is a policy body that coordinates donor DRG efforts and serves as a repository for global lessons learned and best practices. USAID also serves on the intergovernmental Task Team on Civil Society Enabling Environment, which is composed of donors, recipient countries and civil society organizations. The Task Team's mandate is to facilitate the ability of civil society to contribute to the accomplishment of the aid effectiveness mandates laid out in the Paris Declaration.

In addition, USAID will build on its current efforts to collaborate with bilateral donors and multi-lateral organizations. For example, USAID and DFID sometimes co-fund DRG programs in the field, a powerful model of donor coordination. USAID will continue to collaborate with regional organizations such as the Organization for Security and Cooperation in Europe, the African Union and the Organization of American States. USAID also engages with the Community of Democracies to coordinate on key challenges and opportunities for the further expansion and support of democracy worldwide. These organizations can be very effective advocates for DRG, and are able to act with legitimacy on politically sensitive issues regarding human rights abuses, atrocities, coups, the conduct of elections, and democratic transitions. Where possible, USAID will also seek collaboration with private donors that support DRG in order to leverage U.S. tax payer dollars.

The U.S. continues to provide support to international tribunals. Although the United States is not currently a party to the ICC, the USG supports the ICC's prosecution of those cases that advance American values, consistent with the requirements of U.S. law. Moreover, USAID supports partner governments in relevant countries to complement the work of the ICC in prosecuting Rome Statute Crimes to undertake domestic prosecutions in line with the principle of "positive complementarity" (e.g. domestic justice systems developing the capacity to try Rome statute crimes such as crimes against humanity, war crimes and genocide).

## VII. BUILDING DRG KNOWLEDGE THROUGH EVALUATION AND RESEARCH

To implement this strategy, USAID reaffirms its commitment to generate, analyze, and disseminate rigorous, systematic and publicly accessible evidence in all aspects of DRG policy, strategy and program development, implementation and evaluation. This commitment is consistent with the USAID Evaluation Policy and the recommendations of the National Academy of Sciences' (NAS) 2008 report, *Improving Democracy Assistance: Building Knowledge through Evaluations and Research*. The NAS report in particular made recommendations on **developing USAID as a learning organization** that focused broadly on four areas.<sup>38</sup>

1. Increasing the use of impact evaluations, surveys, and other systematic research methods in DRG program development and evaluation;
2. Increasing the rigor and diversity of qualitative methods;
3. Developing more transparent, objective, and widely accepted mid-level indicators of DRG impact; and
4. Strengthening USAID's capacity for independent research, evaluation and knowledge accumulation and dissemination related to DRG assistance.

USAID has made evidence-based decision-making a priority in the DRG sphere in recent years. The considerable progress made to date suggests that much more can and should be done in constructing a foundation of evidence-based knowledge on which DRG policies, strategies, and programs can be built and sustained.

Promoting an evidence-based approach to DRG programming and evaluation is highly challenging; political change is often non-linear; and frequently the result of complex causal variables. Even democratic institutions and processes are not always transparent.

The data needed for DRG program development and evaluation often are not collected or disseminated by host governments in the way that such data are routinely collected by governments in the economic, health and education sectors. In addition, authoritarianism creates incentives for individuals to falsify or hide their actual preferences. Critical data frequently must be generated by USAID and its partners in the first instance. Moreover, changes in some DRG outcomes often occur incrementally, requiring longer timelines for evaluation to avoid missing the impact of incremental but effective DRG programs, or prematurely assessing programs that initially show progress but are ultimately ineffective.

Against this backdrop, USAID will take the following steps to develop knowledge and build evidence in the DRG sector:

- Pursue rigorous research and evaluations in support of an ambitious but carefully prioritized agency-wide DRG learning agenda;
- Apply rigor in both quantitative and qualitative methods;
- Use systematic and rigorous impact evaluations of DRG programs whenever feasible;<sup>39</sup>
- Develop cross-disciplinary studies to establish a better understanding of the relationship between DRG and other development priorities;
- Strengthen relations with academic institutions, think-tanks and other government organizations engaged in DRG-related research; and
- Develop better methods to synthesize, analyze, integrate and utilize the considerable DRG-related knowledge that is generated throughout USAID's many bureaus and field Missions.

<sup>38</sup>Committee on Evaluation of USAID Democracy Assistance Programs, *Improving Democracy Assistance: Building Knowledge through Evaluation and Research* (Washington, DC: The National Academies Press, 2008). See [http://www.nap.edu/openbook.php?record\\_id=12164&page=R1](http://www.nap.edu/openbook.php?record_id=12164&page=R1)

<sup>39</sup>Impact evaluations measure the change in a development outcome that is attributable to a defined intervention. They are based on models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that might account for the observed change. Impact evaluations in which comparisons are made between beneficiaries that are randomly assigned to either a treatment or to a control group provide the strongest evidence of a relationship between the intervention under study and the outcome measured. USAID, *Evaluation: Learning from Experience* (Washington, DC: USAID, 2011).

# VIII. MOVING FORWARD: OPERATIONALIZING THE DRG STRATEGY

Recognizing the value and importance of DRG to fulfill the Agency's development objectives, the Obama Administration has made several changes to strengthen USAID's DRG capacity and engagement:

- The Center of Excellence for Democracy, Human Rights and Governance (DRG Center) was created, with new teams on Human Rights, Cross-Sectoral Programs, and Learning;
- USAID has increased its emphasis on citizen participation for greater accountability through supporting activities such as the Open Government Partnership and the recently launched Grand Challenge for Development MAVC;
- USAID established new initiatives to prevent atrocities and fight human trafficking as part of larger USG efforts in these areas; and
- USAID has emphasized the importance of country system strengthening through the Implementation and Procurement Reform Initiative and has developed tools, such as the Public Financial Management Risk Assessment Framework (PFMRAF), which includes both public financial management and democratic accountability components. Together these facilitate increased use of government-to-government assistance, where appropriate, and reliance on partner-country private sector and civil society program implementers.

This strategy applies to all USAID bureaus and Missions and covers policy and operations in Washington, D.C. and the field. On an ongoing basis, this strategy will inform the work of individuals and units throughout USAID, particularly when it comes to integrating this strategy into the Program Cycle. To meaningfully elevate and integrate democracy, human rights and governance at USAID, and in order to institutionalize this strategy, additional specific responsibilities are entrusted to USAID bureaus, Missions and independent offices.

## **The Office of the Administrator will:**

- Increase DRG prominence within USAID's structure and processes by supporting the enhancement of human resources and, programming as described below;
- Use the influence of the Administrator's office to forcefully engage within USAID, the interagency, and our donor and implementing partners to advance the objectives of this strategy; and
- Direct the technical bureaus and Missions to integrate DRG principles and practices across USAID's development portfolio, particularly the Presidential Initiatives.

## **The DCHA Assistant Administrator will:**

- Establish a Deputy Assistant Administrator-level steering committee to oversee DRG strategy implementation with support from the DRG Sector Council. The steering committee will brief the Administrator, Deputy Administrator and DCHA Assistant Administrator annually on the status of DRG strategy implementation; and
- Advocate for adequate resources, staff and policy attention for DRG within USAID and the interagency.

## **The DCHA/DRG Center will:**

- Assume, in collaboration with regional bureaus and the Office of Human Resources, a more significant and formalized role in the placement of DRG field officers, and work with human resources to explore options to strengthen DRG field officers' competencies and capacity;
- Enhance the DRG Center's role in the development of strategies and programs, whether managed in the field or in Washington, D.C. by:

- Working with regional bureaus to approve projects over \$25 million at appropriate stages of design, consistent with the Administrator's Leadership Council's decision on delegations of authorities as implemented through the Management Operations Council;
- Engaging in portfolio reviews consistent with Agency guidance;
- Strengthening the DRG Center's role in strategy and project design processes by serving as the technical lead for DRG Strategy alignment and working with PPL to ensure the strategy's alignment in the program cycle;
- Review, update or create technical guidance through short "how to notes" and other means in key areas needed to implement the strategy, such as guidance on human rights programming, integration, anti-corruption, Internet security, political economy analysis, local capacity development and DRG assessment tools; and
- Effectively integrate with other development sectors, including social sector programming and economic growth.

#### **The DRG Sector Council will:**

- Regularly report to the steering committee on the status of DRG strategy implementation;
- Be composed of senior DRG Center staff, DRG staff representatives from PPL, regional and functional bureaus, as well as other DRG experts; and
- Operate under DCHA and regional bureau co-chairs and establish a governing charter.

#### **USAID Missions, under the direction of Mission leadership, will:**

- Analyze the host-country development context and ensure alignment with this strategy;
- Implement the DRG strategy throughout the Program Cycle and across Mission portfolios and performance plans;
- Serve as leaders to promote cross-sectoral and integrated approaches to development, as highlighted in SO 4 of this strategy; and
- Serve as a strong voice for DRG and integration with the Ambassador and others in the country team.

#### **Within Missions, DRG field officers will carry out the following specific functions:**

- Implement the core tenets of the strategy throughout the DRG program portfolio, as highlighted in DOs 1 - 3;

- Work with all Mission offices to encourage the integration of DRG principles and practices into a range of programs and deeply understand other technical areas to contribute to the overall USAID strategy (SO 4);
- Participate actively in the PFMRAF and related processes in the context of identifying risks to using country systems and devising appropriate mitigating measures, and also participate in the design of government to government programming; and
- Liaise with political officers in the Embassy to coordinate on DRG related matters, including DRL and INL programming.

#### **The Technical Bureaus, under the direction of their leadership, will:**

- Work with the DRG Center and regional bureau DRG officers to provide training and guidance on integrated project and program design for field Mission staff;
- Participate as active members in the DRG Sector Council; and
- Promote the integration of DRG principles and practices into projects designed in Washington, D.C. and the field.

#### **The Regional Bureaus, under the direction of their leadership, will:**

- Through AAs, DAAs and office directors, ensure accountability for implementation of the DRG strategy in bureau portfolios, bureau solicitations and contracts; and
- Regional bureau DRG technical officers will:
  - Provide technical advice and support, in cooperation with the DRG Center; to DRG officers in the field on analysis, learning, strategies and programming;
  - Will co-chair on a rotating basis the DRG Sector Council; and
  - Provide DRG expertise, insight and analysis of regional bureau priorities to the Department of State and the interagency.

#### **PPL will:**

- Ensure that the DRG objectives described in this strategy are incorporated into Agency-wide policies and strategies.

#### **The Offices of Innovation and Development Alliances and Science and Technology will:**

- Develop innovative approaches, particularly by leveraging the use of new development partners and technologies to rapidly accelerate the achievement of DRG objectives.



# ANNEX I. KEY TERMS

**Accountability** refers to the systems, procedures, and mechanisms that ensure that public officials and institutions perform their stated duties and uphold their responsibilities to the public while imposing restraints on their power and authority and providing for redress or sanction when these duties and responsibilities are not met.

**Civil Society Organizations** include formal non-government organizations (NGOs), as well as formal and informal membership associations (including labor unions, business and professional associations, farmers' organizations and cooperatives, and women's groups) that articulate and represent the interests of their members, engage in analysis and advocacy, and conduct oversight of government actions and policies.

**Corruption** is defined by Transparency International as "the abuse of entrusted power for private gain."<sup>40</sup> While virtually no forms of government, including consolidated democracies, are immune from corruption, non-democracies appear particularly prone to endemic corruption. Widespread corruption is often a symptom of deeper, structural governance problems that limit opportunities for accountability.

**Democracy** refers to a civilian political system in which the legislative and chief executive offices are filled through regular, competitive elections with universal suffrage. Democracy is characterized by civil liberties, including the rights to speech, association, and universal suffrage, as well as the rule of law and respect for pluralism and minority rights. Democracy means 'rule by the people' wherein the authority of the state is rooted in the explicit consent of its citizens. Following from this basic conception, the extent of democracy in a given society can be considered along three key dimensions: 1) the degree of free

contestation for political authority; 2) the extent and character of inclusion in that contestation; and 3) the level of recourse to democratic deliberation based on dialogue and the exchange of ideas.<sup>41</sup>

**Democratic governance** is governance that takes place in the context of a democratic political system, which is representative of the will and interests of the people and is infused with the principles of participation, inclusion, and accountability

**Economic Governance** is "the structure and functioning of the legal and social institutions that support economic activity and economic transactions by protecting property rights, enforcing contracts, and taking collective action to provide physical and organizational infrastructure."<sup>42</sup>

**Governance**, as defined by United Nations Development Programme, refers to the exercise of economic, political and administrative authority to manage a country's affairs at all levels.<sup>43</sup> It involves the process and capacity to formulate, implement, and enforce public policies and deliver services.

**Human rights** include the right to be free from violations of physical integrity (such as torture, slavery and illegal detention); the collective rights of all citizens to enjoy political rights and civil liberties; and equality of opportunity and non-discriminatory access to public goods and services.

**Integration** is the application of DRG principles and practices to address political-economic obstacles in other sectors and thereby improve overall development outcomes. The integration of DRG principles and practices in other sectoral programs also expands the scope of both citizen participation and government accountability.

<sup>40</sup>Transparency International, Plain Language Guide, (Transparency International, 2009) 14. See [http://www.transparency.org/whatwedo/pub/the\\_anti\\_corruption\\_plain\\_language\\_guide](http://www.transparency.org/whatwedo/pub/the_anti_corruption_plain_language_guide)

<sup>41</sup>This definition was drawn in part from USAID's past guidance for conducting DRG Assessments and from Robert Dahl. See USAID, *Conducting a Democracy, Human Rights, and Governance Assessment: A Framework for Strategy Development* (Washington, DC: 2011), 4; and Robert Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1972).

<sup>42</sup>Avinash Dixit, "Governance Institutions and Economic Activity," *American Economic Review* (2009, 99:1), 5.

<sup>43</sup>United Nations Development Programme, "Governance for sustainable human development: A UNDP policy document, Glossary of Key Terms." See <http://mirror.undp.org/magnet/policy/glossary.htm>.

**Political Economy Analysis (PEA)** explores the interaction of political and economic processes in a society, the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time (OECD DAC). PEA enables an understanding of pressures for or against development efforts and reforms, such as reducing corruption or decentralizing service delivery. PEA can be conducted at country, sector, or project level.

**Political processes** include formal and informal political activities, events, procedures and systems that allow citizens and other stakeholders to engage in or influence political competition, policy-making, law-making, and governance.

**Rule of Law** is a principle of governance by which all members and institutions of a society (including the state itself) are accountable to the law — in particular, laws that adhere to international norms of human rights, that are openly made by democratically elected representatives, that are fairly and equally enforced by the executive, and that are independently adjudicated by the courts.

**Transparency** describes an environment where governments and public officials engage in the clear disclosure of rules, plans, processes, and actions in a form that is readily accessible to all. Transparency promotes accountability by providing the public with information about what the government is doing.



*Children rescued from the streets having fallen prey to child traffickers at the Le Bon Samaritan transit center in Benin. Photo: André Roussel/USAID.*

# ANNEX II. FROM ASSISTANCE TO PARTNERSHIP

In developing democracies where USAID implements DRG projects, and as that country makes clear and consistent progress towards democratic consolidation, USAID will ultimately move from assistance to more symmetrical partner relationships with the host country government and civil society groups. In countries that have established strong and durable institutions and that possess systems with sufficient checks and balances to allow for self-correction if backsliding occurs, USAID would gradually move from supporting DRG programming to supporting host-country developed initiatives to shore up democratic gains with more targeted programming. This would lead to a phase out of DRG projects in favor of projects that aim to address specific DRG challenges or institutionalize democratic governance practices in other program areas or phase out assistance altogether. To determine whether to continue assistance in the DRG area in a given country, USAID should assess the salience of those objectives and likely impact of those investments with regard to the country's overall developmental goals compared to the centrality of other objectives and the likely impact of investments in another sector or another country.

In such cases where USAID has determined that DRG programs are no longer merited, USAID might: 1) limit programming to specific small amounts of targeted technical assistance where such assistance can be of a catalytic nature to further propel the country toward democratic consolidation; 2) work with host country institutions, organizations and networks to further build their capacity to continue support in key DRG areas in their own countries or in neighbor states; or 3) determine that supporting DRG interventions within a specific sector, such as the health or agriculture sector, is a better use of resources to address the country's key remaining DRG challenges.

The determination on when to phase out DRG programs is highly context-sensitive, and should be made only after a comprehensive assessment of a number of key indicators that a

given country relationship may be ready to transition from assistance to partnership include:

- 1) Stable and sustained high scores on well-regarded global and regional measures of performance on DRG issues. The strength of democratic institutions, processes, and norms in a given country is measured by a number of indices and surveys. While Freedom in the World is the oldest and best known of these indices, a number of these assessments, which are regional or sub-sectoral in focus, also provide detailed information on the extent of democratic progress.
- 2) Demonstrated resilience of democratic institutions, procedures, and practices. The ability to undergo peaceful and constitutional transitions of power from one ruling group to another is one key indicator of institutional and procedural maturation. Samuel Huntington famously said that 'two turnovers' of power were required for democratic consolidation.<sup>44</sup> Developing democracies should also demonstrate the ability to withstand political and economic crises without major upheaval. Indigenous civil society organizations should be strong enough to hold government accountable.
- 3) Increased interaction with consolidated democracies and integration into international institutions with other democracies. As a country becomes more fully part of regional and global communities of democratic states, it further accepts and internalizes democratic norms and practices. This ongoing cooperation and negotiation with other democracies also reduces changes of backsliding on democratic standards. For example, decisions to phase out of work in Bulgaria and Romania were keyed to their entry into the EU in 2007.
- 4) Sustained citizen support for democratic values and institutions as reflected in public opinion surveys. Such

<sup>44</sup>Huntington, *The Third Wave*. 1991.



USAID/Nepal's Education for Income Generation program has integrated health, HIV/AIDS awareness and anti-trafficking messages in all its trainings. Photo: USAID/Nepal.

public support for democracy as “the only game in town” is a sign of societal consensus on democracy and of democratic consolidation.<sup>45</sup>

- 5) Fundamental requisites of an effective state, including the legitimate monopoly of the use of force by the host country government throughout its territory the ability extract tax revenue. Without these basic capabilities to maintain social order and to raise resources from society, no government – including one with democratic institutions – can succeed.

In addition to the assessments and indices mentioned above, a key tool that can be used to help determine a country's relative success in each of these areas is the *DRG Strategic Assessment Framework*. Other assessment tools might include the public

financial management risk assessment framework, the inclusive growth diagnostic, and the peer mechanism used by the United Nations Human Rights Council.<sup>46</sup> In some developing democracies, real opportunities for reform or cross-border collaboration may emerge with small amounts of support, so each country should be addressed on a case-by-case basis.

USAID's DRG Sector Council will work with the DRG Center, PPL and F Bureau to further refine this guidance. The DRG Sector Council will collaborate with DRG field officers, Missions, and regional bureaus to recommend when it makes the most sense to transition programming toward DRG partnership status. In addition, the DRG field officer will be best placed to recommend what tools might be put in place to preserve gains made or bridge to other revenue sources for legacy institutions, as appropriate. DRG experts in Washington, D.C. and the field

<sup>45</sup>Juan J. Linz, and Alfred C. Stepan. *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe*. (Baltimore: Johns Hopkins University Press, 1996).

<sup>46</sup>The Universal Periodic Review (UPR) is “a new and unique mechanism of the United Nations which started in April 2008 and consists of the review of the human rights practices of all States in the world, once every four years and a half.” See <http://www.upr-info.org/>

# ANNEX III. BUILDING ON THE LAST 20 YEARS

Over its two decades of experience working in DRG, USAID has amassed significant technical expertise and developed strategic approaches toward designing and implementing DRG programs. This long-term development perspective enables our programs to effectively partner with host-country reformers, and avoid the pitfalls of quick fixes to a country's political problems.

USAID sought to develop institutions of democratic governance long before democracy promotion per se became an integral part of the development agenda. From its inception in 1961, USAID development programs often involved working to strengthen government institutions such as ministries and legislatures, especially, as it became clear that a lack of accountability, corruption, and poor government performance were significant obstacles to the success of the USG's development objectives. These programs reached a critical mass in Latin America in the mid-1980s, where the U.S. undertook pioneering efforts to explicitly strengthen democratic institutions, including judiciaries and civil society as part of an integrated development program.

The 1990s became the turning point for USAID's involvement in democracy promotion. Dramatic events in the Soviet Union and throughout much of Central Europe, Eastern Europe and Eurasia sparked an unprecedented wave of political transition. In its wake was not only a desire for freedom, but also a daunting need to establish the essential building blocks of democratic societies, such as functioning legislatures, vibrant civil societies, respect for human rights, political parties able to represent citizens, accountable institutions of governance and a rule of law. USAID's investments in DRG grew to meet this historic need, and USAID and its implementing partners built extensive programmatic expertise and capabilities in four critical areas: 1) governance; 2) rule of law; 3) elections and political processes; and 4) civil society and media. USAID has worked to support the long term democratic development needs of countries after political transitions, and in many other developing democracies across the globe.

USAID made significant contributions to historic democratic progress in Central Europe, Eastern Europe and Eurasia and also helped facilitate transitions in many parts of Latin America, Africa and Asia. At the same time, USAID has also learned from challenges and setbacks – coups, authoritarian backlash, backsliding, stalled transitions and the consolidation of corrupt and “illiberal” democracies.

Some key lessons the Agency has learned that are applied in this strategy include:

- In developing democracies, USAID has learned to maintain balance between governmental and non-governmental institutional sectors where possible. In those country contexts in which USAID enjoys a good working relationship with the government, it is important to address DRG issues from both the governmental and non-governmental sides. Efforts to control corruption or promote policy reform is more effective and sustainable when non-governmental voices play a significant role, even when working with reform champions in government. In settings such as Indonesia, Kenya and Ukraine, NGOs have played crucial roles in holding government accountable – and helping to prevent problematic policies from being enacted.
- In transition environments and hybrid regimes, USAID has learned to avoid declaring premature victory in important DRG sub-sectors. For example, after the 'Rose Revolution' in Georgia, USAID phased out its work in several areas because of the belief that progress would be self-sustaining. However, the Agency later had to restart programming when the transition did not sustain positive outcomes in these sub-sectors. For example, USAID ended its electoral assistance, only to re-engage a few years later. Similarly, investments were greatly decreased in media and civil society – then later expanded in those areas.
- In authoritarian regimes, USAID has learned that DRG programs need very strong diplomatic support from the highest levels; programs need to be carefully calibrated with diplo-

matic strategies in these countries. Where the USG has a strong national interest in pushing for real democratic reform, USAID has demonstrated the capacity to be a real catalyst for change. In addition, USAID's work in non-DRG sectors needs to facilitate and support independent CSOs working in those sectors, rather than only engaging with the governments via ministries of health or agriculture, for example.

- USAID has determined that a link often exists between program performance and consistency of funding. Over the years, several USAID Missions with the largest DRG budgets (such as Haiti) have suffered from a boom-bust cycle that leaves the Mission either scrambling to spend amounts of money that stretch absorptive capacity, or dealing with budget cuts that result in loss of programs, host-country connections, and staff with institutional memory. On the other hand, programs like Indonesia and Colombia had relatively more impact because they have largely avoided this cycle. Even at lower levels of funding, consistent budgets allow Missions to predictably keep the most critical programs going and retain their senior foreign service national staff. USAID has also learned that DRG programs have been most effective when funding levels have been generally well matched to local capacity. The University of Pittsburgh and Vanderbilt University study of the impact of USAID DRG assistance has been able to quantify the positive impact of consistent levels of funding on program performance.<sup>47</sup>

Over this same period, evidence has grown to support the linkage between support to DRG and improved development outcomes. Both academics and development practitioners have come to accept that democratic governance is important to development outcomes. Based on this understanding, many USAID Missions have already begun to comprehensively integrate DRG into the rest of their development portfolio.

USAID also benefits from lessons drawn from external sources. The most comprehensive external study of USAID DRG assistance comes from a two-part study that measured the impact of USAID's democracy promotion assistance. The study, which directly informed this strategy, looked at support for democracy assistance in 165 countries over a 15 year period (1990 to 2004).<sup>48</sup> It also controlled for total investment in other non-democracy programs, non-USAID assistance and total development assistance, among other types of assistance. The authors used democracy trends as measured by Freedom House and Polity IV to inform their outcomes. The study determined that in a given year, \$10 million of USAID DRG assistance results in a .29 increase in the 13 point Freedom House index, or a level of growth five times greater than if a country did not receive USAID DRG assistance. Furthermore, the study disproved the possibility that "USAID DG funding allocations were the direct effect (and not the cause) of the democratic development that a country had attained" and determined that USAID DRG assistance one of only three statistically significant causal factors for DRG country progress. The study goes into detail about the conditions under which democracy assistance works best and describes specific positive impacts in sub-sectors.

<sup>47</sup>Steven E. Finkel, Anibal Pérez-Liñán, Mitchell A. Seligson, and C. Neal Tate, *Deepening Our Understanding of the Effects of U.S. Foreign Assistance on Democracy Building: Final Report* (New Orleans:Vanderbilt University, University of Pittsburgh, LAPOP, 2008).

<sup>48</sup>Ibid



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