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FACT SHEET

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United Nations Democracy Fund

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Summary

The recently established United Nations Democracy Fund (UNDEF) should provide strategic support to catalyze democracy and human rights initiatives around the world. It is intended to complement the UN's existing engagement in democracy promotion. Yet given its limited resources, the Fund will have to carve out a competitive niche side by side with other, already well-established democracy-promotion programs. In addition, while the Fund was created thanks to the leadership of some democratic countries, notably the United States, its success will depend on more member states embracing it as a relevant tool for democracy promotion.

Background

Democratic values were enshrined in the Charter of the United Nations as well as in 1948 in the Universal Declaration of Human Rights. More recently, a group of states established a 'Community of Democracies' to consult within the framework of some of the UN bodies. In a similar vein, in 2001 the General Assembly requested the Secretary-General "to examine options for strengthening the support provided by the United Nations System for the efforts of the Members States to consolidate democracy" (GA Resolution 56/98 of 14 December 2001).

These normative processes to strengthen democracy were accompanied by operational activities of the UN System. In particular, in 2000 the United Nations Development Programme (UNDP) put democratic governance at the center of its development cooperation program, and dedicated a substantial proportion (about US\$ 1 billion) of its core resources towards this end. Another significant development was the establishment of the Electoral Assistance Division (EAD) within the Department of Political Affairs (DPA) in 1992. The EAD is responsible for the coordination of the activities of the United Nations System in the field of electoral assistance.

After a proposal by US President George W. Bush to the UN General Assembly in the fall of 2004, UNDEF was established in July 2005 as a United Nations General Trust Fund. It was kicked off by the United State's initial contribution of US\$ 10 million, which was matched by India. As of 3 March 2006, the Fund has received US\$ 32.5 million in contributions and US\$ 16.5 million in pledges.

Table 1: Top Contributors to UNDEF

Donor Country	Contributions and Pledges (million US\$)
United States	17.9
India	10.0
Qatar	10.0
Australia	7.3
Germany	1.6
France	1.2
United Kingdom	0.6
Senegal	0.1
Chile	0.1
Czech Republic, Poland, Portugal	0.05

Source: UNDEF Website http://www.un.org/democracyfund/financial_contributions.htm (retrieved 20 April 2006).

What is the UNDEF?

UNDEF wants to provide strategic support to democracy and human rights initiatives around the world. UNDEF receives voluntary contributions from member states. The Secretary-General decides on project funding based on the recommendations from an Advisory Board, which has 17 members: Six representatives from those member states contributing the most to the Fund (see Table 1), currently Australia, France, Germany, India, Qatar, and the United States; five representatives from other member states to ensure geographic diversity, currently Benin, Chile, Hungary, Indonesia, and South Africa; four persons appointed in their individual capacity,

currently Mr. Michael Doyle, Columbia University; Mr. Guillermo O'Donnell, University of Notre Dame; Ms. Rima Khalaf Hunaidi, former Assistant Administrator of UNDP; Mr. Amir A. Dossal, (ex officio), Executive Director, UN Fund for International Partnerships (UNFIP); two representatives of non-governmental organizations, currently the World Alliance for Citizens Participation (CIVICUS) and the International Commission of Jurists.

UNDEF will finance projects that strengthen democratic institutions, promote human rights, and ensure the participation of all groups in democratic processes. 80 percent of the Fund's resources will be disbursed in least developed, low or middle income countries for democratic capacity-building. Activities eligible for funding are: Democratic dialogue and support for constitutional processes; civil society empowerment; human rights and fundamental freedoms; citizens' access to information; accountability, transparency and integrity; civic education, voter registration and strengthening of political parties. Another 20 percent of the Fund will be dedicated to democracy promotion on the global level. Here the Fund will highlight the role of democracy promotion in post-conflict situations. It will also support regional and global peer group processes among member states to advance democratization.

Eligible for funding will be national and sub-national government agencies; independent and constitutional bodies (such as electoral and human rights commissions); civil society organizations (including national and international NGOs, think tanks, and journalist associations); UN bodies (departments, funds, programs and agencies working in this field); global and regional inter-governmental bodies other than the UN.

Elected projects will be granted US\$ 50,000 to US\$ 500,000 over a period of one or two years. The Fund will start with an experimental phase of project funding (12-15 months) for which the deadline for applications will be 15 May 2006, followed by a second round of proposals, starting in September 2006. Based on these experiences, the second, long-term phase of the Fund is expected to commence in the first half of 2007.

Challenges

The basic challenge for the Democracy Fund will be to position itself between the norm-setting and the operational work of the UN's engagement in democracy promotion. The Fund is intended to complement and build upon the already extensive activities of UN departments, specialized agencies, funds and programs working in this field. Yet UNDEF's resources of currently US\$ 49 million pale in comparison with UNDP's country-level work on democratic governance, which has a budget in abundance of US\$ 1 billion. The Fund's comparative advantage may be in supporting the environment of nations' democratic institutions to enable them to function more effectively. More specifically, the Fund

would support the interface between civil society and the official institutions of democracy, such as central and local governments and parliaments, electoral commissions, and judiciaries.

Moreover, the question whether the UN should be engaged in the promotion of democracy is not unequivocally answered. At the 2005 Summit, UN member states emphasized that "democracy, development and respect for all human rights and fundamental freedoms are interdependent and mutually reinforcing". It is therefore important to decide whether the Democracy Fund should support all three of the above processes or limit itself only to selected components of democratization.

The 2005 UN Summit's Outcome Document also acknowledged that there is no single model of democracy, that it does not belong to any country or region, and that it remains necessary to pay due respect for sovereignty and the right of self-determination. Since no country in the world currently can claim to have a perfect democracy, the question who judges over the work of the Democracy Fund in any given individual country bears potential for political conflict. The issue becomes all the more pertinent as any country can "buy" a seat at the Advisory Board, simply by being one of the six largest financial contributors to the Fund.

Issues Ahead

Comparative Advantage: Despite the UN's proven track record in democracy promotion, there are also numerous successful examples of country-specific funds for democracy promotion. To claim a comparative advantage in strengthening democracy, UNDEF's first implemented projects will have to prove that it is neither negligible due to its limited resources nor redundant to the already existing UN mechanisms.

Neutrality: The Fund will have to square efficacy with neutrality. How will it decide on funding of non-governmental organizations that may be critical of governmental authority? Likewise, to strengthen democracy by strengthening political parties can easily collide with the UN's mandate not to take side with any concrete political option.

Legitimacy: Will the Fund be biased or will it reflect the variety of countries' circumstances, capacities, and commitments to democratize? The Fund's success will depend on whether many member states embrace it as a legitimate UN body for democracy promotion.

Further Reading

UNDEF: www.un.org/democracyfund/index.html

Dauderstädt, M. and Lerch, M. (2005): International Democracy Promotion: Patiently Redistributing Power. Friedrich Ebert Foundation. <http://library.fes.de/pdf-files/id/02847.pdf>