

UNITED NATIONS DEVELOPMENT PROGRAMME

Project Title: Asia Regional Governance Programme (ARGP)

Project Number: RAS/04/004

Starting Date: 1 November 2004

Estimated End Date: 31 December 2006

Execution Modality: DEX

Associated Entities: National governments, National / Regional Institutions and networks, other UN agencies and bilateral / regional donor partners

Main UNDP Focus Areas

Goal 2: Governance

Service Line: All

	Committed
UNDP	
TRAC (1.1.2)	\$7,173,564
Others	
Total	\$7,173,564
Administrative and Overhead	\$215,206
Total	\$7,388,770

	Name/Title	Signature	Date
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Brief Description: The objective of this initiative is to **Promote greater democratic governance practices and processes for inclusive and equitable sustainable human development and for achieving the MDGs.**

Primary beneficiaries and partners are intended to be UNDP programme countries and their corresponding executive, legislative and judicial branches of governments, along with national and regional institutions, civil society organizations, the private sector, think-tanks and other relevant partners. The outputs of this programme will be achieved through a variety of activities including *demand driven* (i) **applied research and policy analysis** (ii) **advisory services and technical support**, (iii) **capacity development and practice building (through training, networking, south-south cooperation and brokering regional dialogue)**, (iv) **advocacy**, and (v) **country-level pilots** in select areas, to catalyze new areas for development cooperation and methodology application.

Part 1: Situation analysis

1. In 2000, in perhaps the most powerful manifestation of a global compact on poverty reduction and human development, all Member States of the United Nations, issued the Millennium Declaration, committing themselves to the achievement of a series of Millennium Development Goals (MDGs) and Targets, many to be reached by 2015.

2. The most impressive achievement seen in the Asia-Pacific with respect to the MDGs is the overall dramatic reduction in income poverty. Between the early and late 1990s, countries in Asia and the Pacific, collectively, are estimated to have reduced the overall incidence of poverty from 34 to 24 percent.¹

3. There are however, sobering caveats to this promising fact. Despite significant economic progress made in the region, sharp contrasts in the performance of individual countries remain. Overall poverty figures appear to have declined primarily due to the performance of a select number of countries such as China, Vietnam, and India, indicating that a number of other countries will need to accelerate their rate of poverty reduction in order for the region as a whole to achieve its aggregate target. For example despite India's impressive gains in recent years, 1/3 of the world's poor are still found in South Asia. Moreover, while the poverty goal remains in reach, for many countries, the probability of achieving several other MDG targets such as universal education, reduction of child and maternal mortality and access to safe drinking water, is considered low.

4. Much of the progress in poverty reduction is credited to strong overall economic growth combined with sound economic management. However, the phenomenon of increasing inequality amidst expanding growth shows that growth alone is insufficient to achieving broad-based development gains as envisioned in the Millennium Declaration. It is increasingly recognized that democratic governance is the 'missing link' required to promote and secure pro-poor and equitable growth and *in extenso*, to achieve the Millennium Development Goals.

5. Indeed, the MDGs, when anchored in the Millennium Declaration, represent a firm commitment to a broader and more inclusive process of human development. The Millennium Declaration makes this clear in referring to the fundamental values of freedom, equality, justice, tolerance and solidarity, with member nations committing themselves to sparing no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights, including the right to development. Promoting good governance is thus seen as a goal in itself and as a key element of this enabling environment.

6. The region is characterized by great diversity, encompassing countries that include the largest economies as well as populations in the world; several low to high middle income countries; countries undergoing economic transition; five landlocked countries; countries in or gradually emerging from conflict or facing persistent domestic security issues; as well as countries that are in or about to launch a process of nation-building. Moreover, of the 50 LDCs worldwide, 9 are in the Asia region (Afghanistan, Bhutan, Nepal, Bangladesh, Maldives, Lao PDR, Myanmar, Cambodia and Timor Leste). The incidence of poverty in many of these LDCs remains high, often accompanied by sustained structural governance challenges.

7. Within this diverse landscape, most Asian countries have generally remained committed to continuing the reforms undertaken over the past two decades toward promoting a greater culture and environment of democratic governance. Many countries in the region continue to promote and support the holding of multi-party elections and peaceful transitions of power. Increasingly countries are also demonstrating commitments to widening democratic participation and representation as well as ensuring greater accountability through greater decentralization and devolution of powers and responsibilities. Media freedoms are on the

¹ UNDP-ESCAP 'Promoting the Millennium Development Goals in Asia and the Pacific'--2003

rise as is a burgeoning of civil society groups, both becoming important voices in influencing decision-making processes, and in holding governments accountable for their actions. Likewise institutions of parliaments and the judiciary are slowly becoming more capacitated and active in fulfilling their mandates as critical counter-balances to the executive branch.

8. Yet the process of consolidating the democratic gains of the 90's has been uneven, and in fact stalled or even regressed in several countries in the region. And there is a growing perception that despite gains, instituted democratic systems are becoming increasingly dysfunctional and unresponsive to the needs of citizens. In many respects, democracy has failed to guarantee the prosperity and gains in human development that millions had hoped for. Reasons include the following:

- ✓ Insufficient opportunities for people to participate in governance processes.
- ✓ Predominance of the executive branch of government and lack of empowerment and independence vested in legislative and judicial branches of government.
- ✓ The holding of fair and pluralistic elections, or sustaining of reform efforts
- ✓ Lack of comprehensive policy debates and insufficient inclusion of non-state actors.
- ✓ Elite or single party dominated politics, and lack of true widespread formal representation through institutionalization of multi-party systems
- ✓ Non-adherence or non-compliance with international human rights norms and standards and integration of such in domestic legal frameworks
- ✓ Lack of access to judicial remedies, or other dispute resolution mechanisms, and indiscriminate enforcement processes, particularly for women and minorities
- ✓ Poor responsiveness and weak accountability of governments in resolving problems of quality, equity and targeting of public services to the poor
- ✓ High levels of corruption and inefficiencies in public service delivery, distorting development and misallocating scarce resources and disproportionately raising transaction costs for the poor.

9. Political instability, erosion of social norms, civil unrest, ethnic tensions and religious, ideological and cultural fundamentalism have increased in the region. Poor policy and political decisions are often the initial initiators of conflicts. Therefore, while poverty alone may not cause conflict, when linked to sustained economic, political or cultural inequalities, it can be a major contributing factor to heightening tensions and grievances. These tensions often trigger and then exacerbate, social and political conflicts that threaten the peace, security and stability required to achieve the MDGs and sustain economic and human development.

10. The above mentioned governance deficits, and the unequal distribution of (political, economic and social) opportunities that result from it undermine the legitimacy of many efforts to enhance democratic governance systems in the region. The universal recognition of the inherent link between good governance and poverty reduction as reflected in the Millennium Declaration in this regard, underscores the relationship between economic policies that are pro-poor and the need to commensurate politics and processes of governance that are more pro-poor. An enabling reform oriented governance environment for pro-poor reform is essentially one that promotes and reflects institutional and systemic change which ensures effective people's representation and diversity of representative groups, efficiency, transparency, accountability and responsiveness in government, the strengthening of the rule of law and enabling access to justice for the poor, respecting human rights, a free and vibrant media culture, and the curtailing of bribery and corruption in the public and private sector.

Key Governance focus areas

Representation:

11. The importance of regular and transparent **elections** and of a well-functioning **parliament** lies in its role in controlling the effectiveness, integrity and accountability of government. The year 2004 will have seen a wave of parliamentary and/or presidential elections in a number of countries in the region (India, Cambodia, Malaysia, Thailand, Korea, Philippines, Indonesia, Afghanistan and Sri Lanka). The successful conduct of most of these elections and the

peaceful transition of power testify to an important consolidation in the legitimacy of the institutions and procedures of representative government in the region. But despite positive evolution in several **polities**, holding regular elections has not always enhanced political participation and democratic accountability, in particular in transition countries.

12. Violence associated with elections, abuse of and inefficiencies in electoral regulations, electoral management systems, and oversight bodies, have also cast doubt over the fairness and inclusiveness of electoral processes and systems in the region. There is a need for examples to strive for greater inclusion of new voices and representative entities that would reflect the increasing diversity of political, economic and social views at national levels. In this context, encouraging widening of political systems and political parties and supporting greater and differentiated formal political participation and representation in national polities is a critical element of a pro-poor governance agenda.

13. There is also clearly a need to continue to support reforms that ensure the independence and effectiveness of the representative branch of government. Parliamentary institutions provide a vital counter-balance to the executive branch and give the electorate a voice in public policy. It is the principal forum for debate on public policy and for compromise and consensus-building. Issue-based debates and political choices, regarding trade, poverty reduction strategies, MDGs, and gender equality, are thus more important than ever to guarantee that representation is effected on the basis of policies and real choices, and are made on the basis of equity-driven considerations. In this context, with regard to capacitating parliaments, it is also critical that attention is paid to developing capacity and building networks for exchange and learning among parliamentary secretariats, many of which are often lacking effective means and capacities to fully discharge their functions and responsibilities.

Local and urban governance:

14. Democratic governance is equally important at the local levels where decision-making is considered more directly and tangibly linked to affecting the lives of the citizenry. Following the wave of **decentralisation** in the region (approximately 17 UNDP Countries are engaging in or embarking on some form decentralization process), increasingly local elections are an accompanying factor. Yet despite considerable decentralization in the Asian region over the past decade, local governance has also not always resulted in perceptible increased empowerment of local communities. With administrative decentralisation being the main focus in many countries, the question of fair representation still receives insufficient attention. Money politics and elite capture has often marginalised less powerful candidates who represent disenfranchised groups like peasants, workers, women and minority voters.

Moreover it is still unclear whether greater democratization and participation at local levels, has resulted in greater pro-poor policies and delivery of services. This concern is particularly relevant in the context of service delivery and accountability of local bodies and elected representatives vis-à-vis MDG strategies. It is perhaps at these local levels, with regard to budget allocation and expenditure can strategies to ensure that resources and services to the poor are being delivered in accordance with local poverty-reduction and MDG-related goals, be most effective.

15. Issues of urban governance loom large in the development concerns of Asian countries. The region includes most of the world's fastest growing large cities, involving massive rural-urban migration. 33 Asian cities are estimated soon to have populations of over 5 million people. Informal settlements have grown rapidly, with nearly half the urban population in Asia now living in slums. Goal 7 of the MDGs, with respect to assuring access to safe drinking water and improving significantly the lives of at least 100 million slum dwellers by 2020 should now be reflected in the core goals of urban management policy. **Urban governance** is thus a key priority for city administrators and mayors' who tend to share common problems and who require similar solutions. Issues that continue to require special attention in this area are a focus on urban governance-poverty links, including housing and employment issues---particularly informal sector issues and the role of women, sanitation and waste, inequitable user fees for services to the poor and better service delivery, and issues of

corruption and transaction costs. A regional approach could be particularly useful to facilitate both South-South and North-South development cooperation in this critical area of concern.

Access to justice and human rights:

16. Most support to justice and human rights programmes tends to be skewed toward focus on building institutional capacities, which represents a continuing need. Yet access to justice means much more than physical access. It is not only a basic human entitlement and right, but also an indispensable means to combat human poverty and to prevent and resolve violent conflicts. Often the interest of the poor can be subverted either by the presence of inherently inequitable laws (such as those relating to property rights or to discrimination against minorities and women), or by the inequitable application and enforcement of law. Without an equitable judicial framework and an independent, capacitated judicial system, accompanied and supported by a responsive and accountable enforcement system, a pro-poor governance agenda will be impossible to sustain. This is also particularly critical for countries and systems in transition as well as those that are least developed, where a functioning and credible justice and legal system which promotes stable and higher economic growth, respects property rights, guarantees the sanctity of contracts and lowers transaction costs, is considered a *sine qua non* for sustaining development and transitional change.

17. Many people in the region, however, particularly those from poor and other disadvantaged groups, still lack access to justice, i.e. fair legal remedies. Problems in the justice sector are often due to politicized or dis-empowered judiciaries, abusive police practices, and corruption and inefficiencies of law enforcement agencies, as well as indiscriminate enforcement, particularly against women and minorities. While support to justice reforms in the region has increased over the past decade, the overall strategy remains poorly targeted to address the problems of the most vulnerable groups in society, many of whom continue to live in rural areas where such access to remedies are often most lacking and needed. The judicial system made needs to be more responsive to the poor. Qualitatively assessing the needs and perceptions of access to justice deficits by the poor themselves, have yet to be institutionalized throughout the region as one main vehicle for more responsive governance. One area for example, that requires significant research is the interface between traditional and informal systems in access to justice programmes.

Access to information:

18. Access to information and freedom of expression are basic human rights that are considered prerequisites for ensuring voice and participation and thus a key weapon in the fight against poverty and corruption. Citizens fully informed about policies and activities of those who govern them, can demand greater accountability, as well as participate more inclusively in decision-making. However, while many Constitutions in the region guarantee the right to free speech, assembly and information, the denial of these rights remains widespread. Critical to a culture of democratic governance is the promotion of both access to information, and flows of information between constituents, government, parliament, community groups, civil society organizations and the private sector. In this context, legislatively enforced *freedom to access to receive information and freedom to transmit and communicate such*, encompass the core principles of democratic governance of accountability, participation and transparency.

19. As a vehicle for receiving and transmitting information, the media has been emerging as a strong and vibrant institution in the region, providing a forum for civic engagement and informed debate on policy issues, including MDGs. Recent health concerns (HIV-AIDS and SARS) and environmental degradation are fueling the demand for accurate and timely information. But while the media's role and numbers have been expanding with more non-state actors, state control over the media in many countries continues to overshadow constructive reforms in this area. Violence and threats against media personnel is a grave concern in the region. Over the past two years, the Asia region has seen more journalists killed, threatened and imprisoned than any other region in the world, with often such acts

associated with elections, corruption and other topics of critical importance to a democratic culture.

E-Governance

20. The need for an informed society, however, does not only benefit citizens. Governments too prosper from higher quality knowledge and feedback from all walks of society. Good information makes the prospects for more equitable development and higher growth far more promising. This need for an informed society finds further urgency in the context of “**knowledge poverty**”. Despite gains in recent years in some countries in closing the information, communication and technology gap, concerns remain that the coming years will see the world split more decisively into technology and information “haves” and “have-nots”. More critically these cleavages are becoming more apparent within countries, thus placing an even greater priority on ensuring that such groups become equitable beneficiaries of and productive users of information and knowledge. Promotion of E-Governance strategies, is considered thus critical to sustaining democratic governance and growth, and in doing so, critical for the achievement of the MDGs. E-Governance holds the promise of more efficient government, facilitating the delivery of services and information, such as health and human services, including utilizing such efficiency to minimize bureaucratic dilemmas and associated transaction delays and costs, fostering greater accountability and transparency in government and enabling greater citizen participation in decision making, and streamlining taxation, administration and billing services, among others.

Ethics.

21. **Corruption** remains one of the main obstacles to achieving sustainable pro-poor development in the region, and hence, to meeting the MDGs. Corruption distorts the allocation of resources and the performance of both governments and the private sector. High levels of corruption are harmful to economic growth, and serve to increase transaction costs of conducting business, and in doing so, place a disproportionate burden on the poor.

22. Despite the myriad concerns it reflects, corruption is principally a governance issue – a failure of institutions. Weak institutions are incapable of supplying society with a framework for competitive processes and obstruct the legitimate procedures that link the political and economic areas. When democratic governance institutions and systems break down, it becomes harder to implement and enforce laws and policies that ensure accountability and transparency.

23. In addition to strengthening oversight mechanisms, efforts to prevent and address the weaknesses that provide the opportunities and incentives for corruption to occur require an active engagement from an empowered and better informed parliament, and civil society, including a free media. But so far, despite a growing public and government ‘voice’ against corruption, intentions still outnumber accomplishments and practical successes remain sparse. Elite capture and weak accountability systems speed up the spread of corruption to the local levels.

24. Much attention in the region in the near future will be placed on seeing through the implementation of the UN Convention against Corruption (UNCAC) which was signed in December 2003 by 95 countries and which provides a comprehensive framework for dealing with international and domestic corruption. The OECD-ADB Anti-Corruption Initiative for Asia Pacific that was launched in 2000 by 36 member countries of the two organizations is in parallel an important concerted effort to tackle corruption in the region. Clearly there is a growing demand within the development spectrum to increase public confidence in the integrity of public (and private) officials and public decision-making, within the framework of enhancing overall **public (and private) sector ethics**.

Efficiency in public and private sector:

25. An efficient, responsive, transparent and accountable public administration has paramount importance for the proper functioning of a nation. It is also one of the main vehicles through which the relationship between the state and civil society and the private sector is realised and one of the basic means through which government strategies to achieve the MDGs can be implemented. Some have even argued that a viable and effectively functioning public administration has been far more vital to economic development in historical fact than either free elections or parliaments. An established non-partisan civil service is vital to democracy as it makes it possible to have a peaceful and orderly political succession, and thus genuine pluralism. In Asia in general, lack of incentive structures for career advancement and the absence of adequate compensation scales, combine to hinder the change culture required of public administration practices and services.

26. Another area crucial for central and sub-national governments to develop capacity, particularly in today's epoch of complex societal transformations and global economic and technological change, is in policy-making and deciding on the future. Hence the need for support "**Critical choice capacities**" within executive agencies, allowing them to make high-level policy choices, in a transparent and accountable manner, within an increasingly complex spectrum of options. Policy windows are opportunities in a country's political cycle where items can be placed on the government's agenda for making both short-term and long-term strategic policy choices, e.g. in terms of a annual budget or national development plan, or PRSP and many other areas. These opportunities also provide the window for non-state actors, e.g. civil society, policy think-tanks, to input into and influence this process and choice-making. In many countries in the region, these critical choice capacities and processes are either lacking or not sufficiently exploited.

27. An efficient public sector and facilitative regulatory framework is clearly critical to growth and development. Reform of the regulatory environment and enabling the development of the **private sector** to unleash entrepreneurship and in doing so creating jobs is a fundamental component of development and poverty reduction strategies. The recent UN report by the Commission on the Private Sector and Development has noted that the poor entrepreneur is as important a part of the private sector as the multinational corporation. Moreover not only is the private sector central to the lives of the poor in terms of job creation, it also can and has played a vital complementary role to government in providing essential services, and often at lower cost. In many countries in Asia, the private sector is the critical engine of growth, while in others, it is an area just beginning to flower. Assisting the development of a viable culture of private enterprise is therefore an important component of a pro-poor development strategy, particularly in the context also of achieving the Millennium Development Goals.

Governance with regard to vulnerable and / or underrepresented groups:

28. In many Asian countries the above mentioned governance problems and challenges are more pronounced for **disadvantaged and vulnerable groups**, thus making it more likely that these groups are excluded from having a voice and accessing services, including justice services. Exclusion from voice and access to services in turn critically enhances the chances of being "trapped" in poverty. Hence, governance that addresses poverty reduction and the achievement of MDGs needs to pay special attention to disadvantaged and vulnerable groups, such as women, rural and urban poor, ethnic and indigenous minorities, people living with HIV/AIDS or disabilities, and migrant workers and internally displaced people.

29. The **situation of women** in Asia is improving, yet in the majority of the regional economies, various kinds of gender discrimination and traditional stereotyping still prevent women from achieving their basic rights. In the labor sector, while attitudes are gradually changing and the proportion of women working in wage employment and appointed to the public administration and other governing institutions is increasing, the governance systems in Asia, and public representation in the region, are still male dominated sectors. Tokenism and some strong women leadership in the region also blur the reality of gender discrimination and insufficient attention to the attainment of the MDGs, Goal 3. Political participation of women is comparatively poor. Average representation of women in Asian parliaments is only 15%, for example. In addition, access to justice for women, remains highly problematic. Women continue to disproportionately suffer human rights violations, including domestic

abuse, wage discrimination, trafficking, and other human rights violations. Finally, an area of increasing development support is focused on assessing the links on enforcement vis-à-vis women and women's rights. In this context, the programme will focus among others on issues of prison/police reform viz. women, gender budgeting (in collaboration with ongoing Gender Regional Programmes), political empowerment of women and their access to justice.

30. Youth and Governance: Many of the governance reforms that are ongoing in the region require a long-term vision as many of the fundamental societal changes will take place in the next generations. Increased attention to these new generations is thus required, as future leaders and entrepreneurs. The recently produced World Youth Report 2003 measures progress on the implementation of the "World Programme of Action for Youth" (1995). But despite the fact that Asia hosts more than 50% of the world's youth population (15-24 years of age), youth initiatives taken in the region so far have been modest. The upcoming Pan-Asian Youth Summit in 2005 focusing on the MDGs exemplifies the increased attention placed on ensuring the involvement of this group in greater global, regional and national development efforts.

Part II: Strategy

II.a. Rationale for a regional approach to promote strategic governance reforms in Asia

31. With roughly 60 percent of the world population living in Asia, what happens in the region will matter greatly for the eradication of poverty and global prosperity. But a growing agenda of development issues can no longer be managed within the boundaries of a single nation. Many of today's global and regional development challenges require some policy convergence and common approaches and institutions to manage and implement the needed responses. Also, in an increasingly globalised world, public policy that addresses national and regional issues requires assessments and analysis that are inter-country or multi-country in reach and impact. As a result, global, regional and national coalitions for action are emerging, centred on the United Nations indispensable role in advocating for enhanced pro-poor governance.

Comment [SS1]: India 1.027 billion and China 1.295 alone = 2.322 billion

32. Regional Programming constitutes a vital part of UNDP's overall programming strategy and portfolio. Regional Programmes in the Asia-Pacific region are framed by the second Regional Cooperation Framework (RCF), which was formally approved by the Executive Board and is in force from 2002-2006. The second Regional Cooperation Framework (RCF) was designed to parallel and complement the Global Cooperation Framework (GCF 2001-2003) in targeting poverty reduction as its overarching objective in response to the Millennium Declaration. Developed in close cooperation with the GCF policy teams, the RCF is framed through the lens of **1) Supporting Regional Public Goods, 2) Managing Cross-Border Spill-Overs and Externalities, and 3) Regional Advocacy.**

33. Regional Programmes are designed to be complementary to ongoing national programmes, as well as corporate priorities. Based on the findings of the mid-term review of the first RCF, over 40 regional programme evaluation reports and extensive consultations in the region, several key findings have emerged regarding regional cooperation in the Asia and the Pacific region and have served as a valuable guide for the formulation of the second RCF and its constituent programmes, aiming for the following objectives:

- Promote regional integration, agreements and standards by providing a non-political forum and 'safe space' for countries to discuss and negotiate cross-border issues and adherence to international commitments and conventions.
- Facilitate inter-country development cooperation, management and regulation of trans-boundary development concerns
- Introduce specific integrated strategies, tools, methodologies and policy options to enhance the responsiveness and sensitivity of national policies and practices
- Facilitate partnerships, networking, capacity development and dialogue among State and non-State institutions in the region, enabling these institutions to play a more proactive role in promoting regional integration and South-South cooperation.

- Undertake cross-country comparative studies for regional learning, knowledge sharing and advocacy around a variety of development issues
- Undertake training, capacity development endeavours and pilot activities, that can be replicated and scaled-up for sustained follow-up and integration at national levels.

34. There is also growing recognition of the role of regional cooperation for knowledge sharing and mutual learning. Many governance problems faced by some countries in the regions have already been addressed successfully through incorporating or learning from innovative solutions by other countries. Regional programmes as a matter of explicit rationale and function, can bring together knowledge demand and knowledge supply on governance issues, thus accelerating problem solving, cooperation among developing countries, and harnessing UNDP's role as a trusted convener.

35. Regional governance programming in Asia dates back to the Asia Ministerial Conference in Lahore in 1996 and the resultant Lahore Declaration, endorsing democratic, transparent and accountable systems of governance as a pre-requisite for poverty reduction. As a response to Lahore and the emerging regional impetus for greater governance-related development support, the Regional Bureau for Asia and the Pacific, initiated a series of governance initiatives, including the ongoing PARAGON Regional Governance Programme and the Urban Governance Initiative (TUGI), which serve as predecessor programmes for the current regional initiative. PARAGON's main objective was to promote a humane governance enabling environment for poverty reduction, human security and human development in Asia. TUGI evolved out of the Urban Management Programme for Asia-Pacific (UMPAP). The current phase aimed to meet the situational demands of towns and cities in the Asia-Pacific region for institutional reforms, innovative approaches and capacity building efforts for participatory, transparent, accountable and equitable urban governance. Both programmes have established and supported a variety of networks and produced a number of capacity-building and training products. These products and some ongoing activities will continue to provide vital inputs to the next programming cycle and proposed set of outputs and activities.

36. In addition, since 2002, a joint initiative undertaken by the Bangkok and Kathmandu SURFs and funded by the Democratic Governance Trust Fund, the GCF and HURIST led to the development of the Asia-Pacific Rights and Justice Initiative. The Initiative has successfully used a bottom-up approach to practice building, resulting in the development of a number of corporate tools on human rights and access to justice and the growth of a vibrant community of practitioners in the region.

37. Building further on these achievements the new programme design also takes into account the institutional setup of **UNDP's new Bangkok Regional Centre**, merging the Regional Programmes and the Sub-Regional Resource Facilities (SURFs) into responsive and capacitated regional practice teams. The Bangkok Regional Centre will service the whole Asian region in the thematic areas of governance and energy/environment and will also host additional cross-practice teams (Capacity Development, ICTD and Gender). However, a critical aspect of the implementation of this programme will be the cementing of the institutional and programmatic link with the new Kathmandu Regional Centre, and its thematic focus on poverty and trade. It is through this linkage that the governance-poverty dimensions of this programme will be most effectively integrated and then utilized as a comprehensive regional programmatic framework of support for UNDP supported countries in Asia. The programme will also be linked to the regional activities managed out of the Pacific Sub-Centre in Suva, Fiji.

II.b. Programme focus – Governance for inclusive and equitable development in Asia

38. The issue of good governance has during the past decade been firmly institutionalized within the global development agenda. The 1990's brought a wave of democratic governance reforms and the validation of the global consensus on the pre-requisite of legitimate, responsive and effective governance for poverty reduction was evident in the Millennium Declaration.

39. UNDP has contributed appreciably to shaping the current agenda for governance. Globally, now, UNDP is playing a leading role in supporting countries build democratic governance and governance related programming now represent the bulk of UNDP's work, accounting for 60% of UNDP's global technical assistance expenditures every year. In 2003, the organization carried out democratic governance reform programmes and projects in 135 countries, reflecting the increasing recognition, reflected in the Millennium Declaration, of good governance as a goal in itself and as a necessary basis for achieving the MDGs. This has made UNDP one of the largest multilateral providers of governance assistance worldwide.

40. The corporate shift in promoting a systemic approach to governance, as a means to attaining longer-term goals of human development, and as a fundamental pre-requisite for addressing concerns of poverty, environment, gender, conflict and other development challenges, is paralleled by similar trends in the Asia-Pacific region. According to a recent Assessment of Current Trends in the area of Governance in Asia-Pacific, conducted by the Regional Bureau for Asia and the Pacific in mid 2003, UNDP Asia programme countries have generally prioritized their governance needs around the following UNDP service lines in Democratic Governance: **(i) Public Administration Reform and Anti-Corruption (PAR), (ii) Decentralisation, Local Governance and Urban Development (DLGUD), (iii) Access to Justice and Human Rights and (iv) Support to Parliaments. Increasing demand is seen with regard to work in the area of Electoral Systems and Processes as well as a rapidly growing interest in securing programme support for partner countries in the areas of Access to Information and E-Governance.**

41. Within the broader governance context, the protection and fulfilment of human rights stands out as a cross-dimensional objective that is crucial for securing a humane and non-discriminatory society, and hence, for eradicating poverty. Consequently, the activities conducted at the regional level will place special emphasis on a **rights-based approach to governance**. This is in line with the UN Secretary General's call on all agencies of the UN system to mainstream human rights into their various activities and programmes, and the subsequent adoption of a Common Understanding² on the **Rights Based Approach**, by all UN Agencies in May 2003.

42. This programme's concentrated focus reflects the Millennium Declaration which outlines a vision for the new century based on fundamental values of freedom, equality, solidarity, tolerance and respect for nature and shared responsibility. The declaration identifies key objectives necessary to achieve the vision including peace and security, development and poverty eradication, environmental protection, human rights, good governance and protection of the vulnerable. In the Asia region, MDG reporting and advocacy has now taken on sustained momentum in the region, primarily through the MDGR process. There is thus a critical need to clarify how governance reforms can be utilized to advance the cause of achieving the MDGs. Hence, in designing its interventions the Regional Governance Programme will especially focus on the link between good governance and the achievement of the MD goals, in particular Goal 1 of halving poverty.

43. Finally, a critical dimension of this programme will be to respond to **Emerging Regional / Inter-Governmental and Cross-Border Governance Challenges**, as well as provide policy advisory and capacity development support to countries in the area of **Aid Management and Coordination**. Increasingly, national development challenges require multi-national cooperation, and regional programmes are best placed, by mandate and design to respond effectively and support countries in these areas. Moreover, countries are increasingly seeking

² The key elements of the UN Common Understanding are:

- a). All programs of development cooperation, policies and technical assistance should further the realization of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.
- b). Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process.
- c). Development cooperation contributes to the development of the capacities of duty-bearers to meet their obligations and/or rights-holders to claim their rights

greater regional integration in various areas. Despite an increasingly integrated global world, **regional institutional arrangements** are often as or more important to national development. Stable, efficient and well-functioning institutional arrangements for inter-governmental regulatory bodies, including, tank infrastructure, bodies for management of cross-border natural resources (such as water), and regional public goods such as regional trade agreements (RTAs) are a vital component of governance strategies. Moreover, inter-governmental arrangements for managing and minimizing cross-border spillovers and externalities such as drugs, trafficking of women and children, HIV/AIDs, are of crucial importance. Often countries have not set up such inter-governmental systems and bodies that would regulate, harmonize and then institutionalize cooperative cross-border policies for addressing these challenges, or where they have, such arrangements require more capacity development and facilitation and this is clearly an area that governments are seeking further support.

II.c. Overall objective, programme outcomes and methodology

44. Given the wide economic, political, ethnic and cultural diversity in the region there cannot be a “one-size-fits-all” governance approach applicable to all countries in the region. In the past, the Asian region has shown diverse approaches and routes to democratization and societal change, depending upon the different stages of economic, social, political and administrative development of the countries concerned. More emphasis now needs to be placed on supporting the potential for pro-poor governance change based on a better understanding of the specific country context. This requires an increased focus on political analysis and a better understanding of values, social norms and traditions and of the economic, political, social and institutional dynamics of change in the countries in the region.

45. The design of the Regional Governance Programme builds on (i) analyses of recent governance developments in the region; (ii) the experiences drawn from the implementation of previous regional programme activities, (iii) UNDP’s comparative advantage in supporting good governance initiatives and in providing policy advisory support through its global governance practice and (iv) a consultation process involving UNDP country offices in the region, staff of the ongoing regional governance programmes and selected external stakeholders. In addition, the design of this programme also benefited from the findings of recently conducted regional (UNDP) assessments and studies³. The programme is also inspired by ASEAN’s vision 2020 (proclaiming the collective goals of peace, progress and prosperity) and the Charter of SAARC (fostering meaningful cooperation to achieve the objectives of peace, freedom, social justice and economic prosperity).

46. Objective: Based on the above situational analysis and following consultations on the perceived governance priorities in the region, the main objective of the Regional Governance Programme is to **promote greater democratic governance practices and processes for inclusive and equitable sustainable human development and for achieving the MDGs.**

47. In pursuing this objective, the Regional Governance Practice Team will centre its regional initiatives towards four main outcomes, as shown in Box 1 and further detailed in the results framework.

³ In particular, (i) Governance in LDCs in Asia and the Pacific (2004), (ii) Governance in Asia and the Pacific – An Assessment of Current Trends (2003), (iii) Regional Study on Public Administration Reform in Asia and the Pacific (2004), (iv) the Report of the Regional Forum on Parliamentary Development, (v) regional studies conducted under the Rights and Justice Initiative.

Box 1: Objectives and outcomes

Overall programme objective:

Promote greater democratic governance practices and processes for inclusive and equitable sustainable human development, and for achieving the MDGs

- **Outcome 1:** Increased effectiveness of representative bodies at central and sub-national levels to perform their democratic functions and enhance national poverty reduction goals
- **Outcome 2:** Increased access to justice by the poor and disadvantaged groups
- **Outcome 3** “Transparent, accountable and inclusive State-citizen partnerships for effective service delivery”
- **Outcome 4:** Greater and more efficient inter-country development cooperation for futhering regional public goods, managing aid coordination and cross-border externalities and spillovers

45. These main programme outcomes, focusing on people's participation and access, responsiveness/accountability of governing institutions, and enhanced multi-country regional development cooperation, are in line with UNDP's strategic shift towards greater engagement with a broader spectrum of stakeholders in governance — parliaments, the judiciary, key government agencies and public sector think tanks, civil society and the private sector. They are also consistent with the conclusions of a recent ESCAP report (2003) on the status of poverty in Asia-Pacific, which considered the following four governance attributes to be vital for the achievement of the MDGs: (1) Efficient, effective and accountable administration; (2) Control of corruption; (3) Scrutiny of public sector management by an empowered civil society; (4) Decentralization.

48. UNDP will contribute to the achievement of expected outcomes of the programme through a combination of concrete and measurable results – programme outputs, as indicated in the results framework - and partnership strategies. The outputs in the results framework have been identified and prioritized on the basis of a consultative process, their strategic importance for the project outcomes, and UNDP's comparative advantage.

49. To achieve **Outcome one** “Increased effectiveness of representative bodies at central and sub-national levels to perform their democratic functions”, the programme seeks to:

- ✓ **Inform and help Strengthen** the legislative, oversight and representative capacities of **Parliamentarians and related functions of Parliaments Secretariats**, through the development and dissemination of information **products and tools** on budgetary and public expenditure oversight with regard to the MDGs / Trade / Gender / ICT and other development areas.
- ✓ **Consolidate and expand networks** associated with **Parliamentary / Legislative Development** for enhanced learning and knowledge sharing, such as APPAN and the proposed South Asia Parliamentary Forum under SAARC
- ✓ **Develop and Advocate** for a Regional **Model Code of Ethics** for Parliamentarians through dialogue and exchange at national and regional levels
- ✓ **Undertake Policy Research and Lessons Codification** on **constructive political engagement and dialogue** fed into national processes
- ✓ Pilot Activities on Capacity **Development for Political Parties** in select countries **piloted** where possible
- ✓ **Create and Support** Regional **Network of Political Parties**
- ✓ **Codify Good Practices** on **representative and electoral systems** at local levels
- ✓ **Strengthen Electoral Management Capacity** at country-level through the dissemination of **learning studies** on Electoral Dispute Mechanisms, Electoral Violence and Electronic Voting Systems, and **facilitating bilateral cooperation for learning and exchange** between national/international Electoral Management Bodies and related associations
- ✓ **Support and Catalyze** networks of Young Asia Leaders and Decision-Makers

50. To achieve **Outcome two** “Improved Access to Justice for the Poor and Disadvantaged”, the programme will seek to:

- ✓ Produce Regional Survey of **perceptions of justice by the poor**, particularly women
- ✓ Assess interface of **traditional and formal** systems of justice and **enforcement in Asia**
- ✓ **Codify Good Practices** on Legal Empowerment Initiatives in the region, including legal aid systems and services at rural / district levels and feed findings into supporting pilot activities at national levels
- ✓ **Consolidate and Strengthen** networks of **National Human Rights Institutions** and related judicial/quasi-judicial bodies and help **develop capacity** to discharge responsibilities
- ✓ **Provide technical assistance** to countries on **harmonization of national laws** with international human rights treaty obligations
- ✓ **Technical Studies on Inclusive Governance Solutions for Disadvantaged Groups in Asia**
- ✓ Network with with regional judicial bodies, to assess **best practices in judicial enforcement of economic, social and cultural rights.**
- ✓ Regional Study on **Police and Prison Systems and Enforcement Practices, particularly with regard to women**
- ✓ **Develop and advocate** for **Codes of Conducts for judicial personnel.**
- ✓ Assess the State of **Access to Freedom of Information Laws and Regulations and Freedom of Expression** in Asia

51. To achieve **Outcome three** “Transparent, accountable and inclusive State-citizen partnerships for effective service delivery” programme activities will focus on:

- ✓ Providing **Analytical Framework for Assessing Decentralization impacts on Poverty Reduction**, developed through regional lessons and fed into national programmes
- ✓ **Methodologies developed and Pilot projects** on applying and monitoring **rights-based approaches** to service delivery at local levels
- ✓ **Best Practices** in institutionalizing **E-Government**
- ✓ Guidelines and Pilots on **MDG targeted planning and financing** at local levels, particularly with regard to gender goals and issues
- ✓ Regional Analysis of **Public Administration Reform Successes and Gaps** in Transition Countries
- ✓ Assess **institutional and incentive and career systems** for civil service personnel, and technical backstopping on **human resource development in public sector**
- ✓ **Advocacy, sub-regional and national workshops** on UN Anti-Corruption Convention and OECD Conflict of Interest Toolkit
- ✓ **Produce Asia’s Best City Report and Organize Network and host Biennial Mayors’ Forum on Good Urban Management and Governance**
- ✓ **Review regulatory environment** and reforms required to enhance private sector development in Asia, particularly with regard to transition countries, including facilitating South-South Cooperation
- ✓ Facilitating **private sector involvement and engagement** for partnerships to achieve MDGs.

52. To Achieve **Outcome 4**: Greater and more efficient inter-country development cooperation for futhering regional public goods, manage aid and cross-border externalities and spillovers, the programme activities will focus on :

- ✓ **Technical Assistance to Countries in Transition on Governance System Reforms**
- ✓ **Network of think-tanks and Strategic Policy Making Institutions** created
- ✓ Mapping and Needs Assessing of Capacity Development Needs of **Inter-Governmental Regulatory Bodies, and associated national bodies** for regulation of regional public goods and provision of technical policy assistance in this context

- ✓ Assessment of capacities of and and technical assistance and facilitation where lacking of **inter-governmental bodies and associated national agencies** responsible for managing cross-border externalities and spillovers **such as drug control and trafficking**
- ✓ **Capacity Development of and Technical Assistance to National Agencies** to better manage aid
- ✓ **Regional Report on Governance in Asia and High-Level Asia Governance Forum**

53. Methodology: The outputs of this programme will be achieved through a variety of activities including *demand driven* (i) **applied research and policy analysis** (ii) **advisory services and technical support**, (iii) **capacity development and practice building (through training, networking, south-south cooperation and brokering regional dialogue)**, (iv) **advocacy**, and (v) **country-level pilots** in select areas, to catalyze new areas for development cooperation and methodology application. In carrying out these activities, the programme will ensure the matching of regional **knowledge demand and supply** on substantive governance challenges, thus allowing the exchange of experiences of good development practice between countries in the region. The programme will use knowledge networks (as further described in the implementation arrangements) as a powerful complement to conventional training. This is fully in line with new findings on capacity development, which recognizes the centrality of knowledge acquisition rather than knowledge transfer.

54. The generation of applied policy knowledge will be systematically linked to action, e.g. policy advice and formulation, programme implementation and evaluation iterations, confronting the gambit of structural constraints, execution problems and resistance to change dilemmas faced by decision-makers. Anchored in the development reality of programme countries, the practice and knowledge management approach of the programme, will ensure the development of tools and methodologies based on the needs of clients and the formation of strong substantive partnerships that will help develop networks of knowledge based organizations in the region.

55. Capacity development will not only be achieved through face-to-face meetings and training activities, but especially through knowledge management methodologies. The programme will establish **three regional knowledge networks**, comprising of internal and external practitioners of the substantive scope covered by the three outcomes 1-3 on (1) representation, (2) justice and human rights, and (3) efficient, accountable and responsive government. For example, the community of practice under outcome 1 – will bring together parliamentarians, staff from the Parliamentary Secretariats, think tanks and NGOs working in this field, and internal practitioners. All three communities will benefit from and contribute to work under outcome 4 on “inclusive policy analysis”, which is cutting across the substantive scope of the three other outcomes.

56. These knowledge networks have the purpose of (a) feeding into the design of the activities/outputs (through network discussions), thus ensuring constant matching between knowledge demand and knowledge supply, (b) serving as forums for issue-based discussions during the implementation of different activities, and (c) serving as long-term capacity development mechanisms for members (e.g. through dissemination of products). The content of the knowledge networks will be defined by the activities and outputs under the respective outcome. The knowledge networks will be supported by electronic tools, which will be moderated by full-time facilitators/research officers in support of the regional advisors. COs will help in the identification of external participants for the networks. By the end of the project period the networks will be handed over to suitable external institutions in the region to ensure sustainability.

II.d. Partnerships

57. Given the strong links between governance, poverty and achieving the MDGs, the regional governance programme will work in very close collaboration with the poverty team in the Kathmandu Regional Centre. Of critical importance to the success of the regional programme initiatives are also the links that the Regional Governance Practice Team can establish with other relevant regional UN and UNDP programmes (in Asia and beyond) as well as with the regional and global knowledge system of the Democratic Governance Community of Practitioners. Within the region in particular, the regional programme will work in close collaboration with the Pacific

Governance for Poverty Reduction Programme, the Indigenous People's Rights Initiative, the Asia-Pacific Gender Mainstreaming Programme as well as with the Asia Pacific Development Information Programme. The programme will also establish strong linkages with the UNDP Pacific Centre and its governance programmes based in Suva, Fiji.

58. Relationships with other UN Agencies will be strengthened and such agencies technical inputs will be utilized to deliver specific-related outputs, e.g. UN HABITAT in the area of Urban Governance. The ongoing cooperation with UNESCAP will be enhanced, in particular in areas that link governance and poverty reduction and MDGs. In the area of Access to Justice and Human Rights, for example, the governance team will cooperate with the regional office of the UNOHCHR in Bangkok, Bar Associations in the region and regional bodies established to promote justice and human rights. Arrangements have also been made to strengthen collaboration between the Regional Practice teams and the Asia Gender and Governance Programme and UNIFEM, to secure gender mainstreaming in programme implementation.

59. In line with the RCFII, the regional programme will seek to foster closer relationships with the World Bank and the ADB, as well as with bilateral agencies with an active governance portfolio in the region, to help to achieve common development objectives in the region, in particular those involving governance related initiatives. This programme will also make a deliberate effort to widen the network of non-governmental institutions and think-tanks involved in the outlined activities, both from the South and North. The regional programme will stay attuned to governance policies and related initiatives conducted by ASEAN and its various Resource Centres. The regional programme will build on further the large network of partner institutions that has been developed in the past by the former regional governance programmes in Asia (APGEN, PARAGON and TUGI).

60. Close cooperation will be established with the UN Capital Development Fund (UNCDF) in implementing activities and providing policy advisory and supporting capacity development activities. UNCDF will assign a Regional Technical Advisor to the Regional Centre in Bangkok, with an agreed portion of time devoted to providing support to both regional programme implementation and country offices. For example, in collaboration with UNDP Country Offices, and in partnership with national and local government authorities and local civil society, UNCDF has developed a portfolio of Local Development Programmes within the LDCs of the Region. These programmes are all designed as "policy pilots", aiming to promote improved policy and practice for more effective and transparent pro-poor service delivery financing, planning and delivery by sub-national governments, especially in the rural areas of Asia where the poverty challenges and the MDG "gaps" remain greatest. This ongoing country programme collaboration in Asia between UNDP and UNCDF will be further leveraged to particularly support **Outcome 3**: "transparent, accountable & inclusive State-citizen partnerships for effective service delivery".

61. To create the necessary synergies between national, regional and global policy development, the UNDP Global Governance programmes will implement their activities in the Asian region through the window of the Bangkok Regional Centre. This concerns in particular: the "Local Initiatives for Urban Environment Programme (LIFE)", the "Decentralized Governance Programme", the (soon to be launched) "Urban Millennium Partnership Programme (former Urban Management Programme implemented in partnership with UNHABITAT)", the Global Programme for Parliamentary Strengthening (implemented in Partnership with the International Parliamentary Union - IPU), HURIST (Human Rights Strengthening, which is a partnership with the UNOHCHR and the Human Rights Cities programme (in partnership with the NGO network "the People's Movement for Human Rights Education"), the Public-Private Partnership for the Urban Environment Programme (PPPUE) and the Programme for Accountability and Transparency (PACT)

62. To secure additional funding to support further regional initiatives of the Governance Practice Team and to ensure appropriate collaboration with bilateral donor initiatives in the region, the Regional Centre Manager (RCM) and the Practice Team, with the support of the Regional Bureau for Asia and Pacific and the Bureau for Resource Mobilization and Strategic Partnerships will be responsible for the design and implementation of resource mobilization and partnership strategies with these and other partners for regional (and national) interventions in the area of governance reforms in Asia. A resource mobilization effort to complement programmed funds in the area of \$4

million will be sought in this context for the duration of this programme. A detailed resource mobilization strategy shall be elaborated by the programme team as part of the greater resource discussions with regard to the Bangkok Regional Center.

Part III: Management arrangements

63. The Asia Regional Governance Programme will be based in and managed out of the UNDP Bangkok Regional Center. Overall responsibility for the management and implementation of the regional governance programme will be the responsibility of the Regional Centre Manager (RCM) who has delegated authority from the director of the Regional Bureau for Asia and Pacific for overall quality control and monitoring of progress in the achievement of the programme results and for the administrative and financial management of the programme, in accordance with DEX modalities

64. Technical implementation of the Regional Programme will be the shared responsibility of the Governance Practice Team in the Regional Centre, under the overall coordination of the Regional Governance Practice Manager (RGPM). The RGPM will have overall responsibility for coordination, facilitation, quality control and work planning of the governance practice team and for making sure that regional programme activities are synchronized with the demand driven work of the regional Governance Practice Team and coordinated with other practice teams. The RGPM will report directly to the Regional / Deputy Regional Manager.

65. The day-to-day management (including fiduciary management and regional programme work planning) and implementation of regional programme activities will be the responsibility of a regional programme coordinator and a deputy programme coordinator (RPC/DRPC).

66. In accordance with the memorandum of understanding between RBAP and BDP, the regional practice manager and the practice team members will make internal agreements on the specific contributions the practice team will make to the overall practice development, to the implementation of the regional programme activities and to supporting country offices – thereby creating synergies between global, regional and national policy development and implementation..

67. Terms of Reference for the regional advisors (programme coordinator, deputy programme manager, governance-poverty specialist, Governance institutions specialist, Access to Justice Analyst, Aid Coordination Advisor) are provided in Annex II. Additional short-term staff will be recruited in accordance with perceived needs and approved work plans.

68. Knowledge management support and marketing services will be provided by the Regional Centre's Knowledge Services Support Team. Management assistance and operational support (Budget and procurement management of goods and services, including logistical arrangements for workshops, seminars, travel and study tours) will be provided by the Regional Centre's Programme Management and Operational Support teams. In addition, the governance practice team will cultivate strong relationships with the Global Governance Practice, other practice teams (both in Bangkok and in Kathmandu) as well as with the different cross-practice teams (ICT, capacity development and gender).

69. The implementation of the regional programme will be under the general guidance of a Programme Advisory Committee (PAC) composed of the Regional Manager, Deputy Regional Manager, representatives of participating governments, RBAP staff, the BDP DGG Global Practice Manager as well as participating UNDP Country Offices. The RGPM will function as member-secretary of the PSC. The Programme Advisory Committee will monitor and provide guidance for the implementation of the programme in terms of agreed upon outputs and activities.

70. Governance practitioners in each UNDP Country Office will be part of the extended regional Governance Practice Team, and will provide support to the implementation of the regional programme activities. UNDP Country Offices will also assist in initiating dialogues with their host governments to determine the most relevant areas of interest to the respective countries that can be supported through the regional governance programme.

71. Finally, as part of the partnership building strategy, the Regional Governance Practice Team will identify selected Centres of Excellence in the area of governance in the region, which could assist with the implementation of regional programme activities and practice related/knowledge management activities. Sub-contracts can be awarded to these and other institutions to conduct specific activities in accordance with the approved work plan.

Part IV: Monitoring and evaluation

72. Daily monitoring of the implementation of the regional programme will be the responsibility of the RGPM, under the supervision of the RCM. Overall monitoring of the Regional Governance Practice Team will be the responsibility of the RCM/DRCM.

73. The first meeting of the Programme Advisory Committee will be organised within three months after the programme start-up date.

74. Based on the Strategic Results Framework and the annual workplans, the RPC, with the inputs of the practice team members, shall submit to the RCM and the RGPM six monthly progress reports and annual reports during each year of implementation. The annual report will provide input into the Regional Programme Results–Oriented Annual Report (ROAR). Financial reports will be prepared by the Management Support unit of the Regional Centre.

75. The RGPM and RPC will prepare a terminal report in the last quarter of year two of the programme (which corresponds to the end of the RCF) for consideration by the PAC. The report will make proposals as to the changes that may be required to the Regional programme design, and to provide inputs to the formulation of RCF III.

Part V: Legal context

76. This project document shall be the instrument referred to as such in Article I, paragraph I, of the Standard Basic Assistance Agreement (SBAA) between the United Nations Development Programme and the Governments of participant countries that have signed such an agreement. The implementing agency shall, for the purpose of the SBAA, refer to the Government cooperating agency described in that Agreement.

77. The following types of revisions may be made to this project document with the signature of the UNDP Principal Project Representative (the Manager of the UNDP Regional Centre) only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- Revisions in, or addition of, any of the annexes of the project document [with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance]
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and
- Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

