



**SUPPORTING THE ACHIEVEMENT OF THE
MILLENNIUM DEVELOPMENT GOALS (MDGS)
IN ASIA AND THE PACIFIC (PHASE II)**



Document No. 1

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**CONCEPT PAPER AND
OUTLINE OF THE SECOND REGIONAL MDG REPORT**

Prepared by
UNESCAP Secretariat

I. Introduction

The United Nations Millennium Declaration adopted by 191 members in total at the Millennium Summit of the United Nations in September 2000 upholds a rights-based approach to prosperity encompassing fundamental values and principles such as freedom, equality and equity, respecting human dignity, solidarity, tolerance, respect for nature, and shared responsibilities. The eight Millennium Development Goals (Appendix I) derived from the Declaration represent a broad global consensus around a set of clear, measurable and time bound development goals that have been accepted by the United Nations system, Bretton Woods Institutions, developing countries themselves and the donor community.

The key MDG challenges facing the Asia-Pacific region may be summarized as follows:

- (1) Despite having the fastest economic growth rates in the world, the region continues to have the largest number of absolute poor, some 700 million.
- (2) While some countries such as China and India have made remarkable reduction in poverty levels it has not been a linear decline with some countries, including China, Indonesia and Thailand, witnessing increases in poverty levels. Hence, sustainability of poverty reduction remains a challenge.
- (3) While responding to region's diversity of culture, political institutions and stage of economic development, a challenge is how to deal with the huge variations in the level of achievement of the MDGs among countries in the region and within countries themselves.
- (4) While some countries may have achieved the MDG poverty reduction targets, meeting the targets on hunger and other goals remain a continuing concern. Tackling the multidimensional aspects of poverty remains a complex task.

All these factors suggest that as the United Nations prepare for the five-year review of the Millennium Declaration, a major breakthrough is needed if the 2015 targets are to be met.

The first ever regional MDG report by UNESCAP in 2003¹ concentrated on goals 1 and 8 with focus on growth, poverty and income distribution nexus and the international partnerships that need to be forged to achieve the MDG targets. Several advocacy documents relating to the achievement of MDGs have been released globally since the first regional MDG report highlighting the fact that more needs to be done for achieving MDGs as documented in Appendix II. The second MDG Report will build on those findings and attempt to deal with the challenges facing the region as set out above.

II. Objectives of the second MDG Report

The Report is not just another report in the traditional sense, but rather an analysis of the Asia-Pacific issues in order to use the messages to galvanize action to

¹ ESCAP/UNDP: Promoting the Millennium Development Goals in Asia and the Pacific, United Nations, New York, 2003

achieve MDGs by all stakeholders. It is a vehicle for **analytical research, reporting** progress on MDG achievements and **advocacy**. The specific objectives are:

- As part of the United Nations' MDG campaign for the region, promoting the policy implementation strategies providing support to countries to reporting of MDGs and advocacy/campaign activities.
- Providing a depository of regional experiences, lessons and recommendations which can be adapted by other countries in the region.
- Using the Report as a vehicle to foster collaboration within a wide range of partners and mobilize the capabilities of a broad range of society to bring awareness in support of action on priorities, policies and resource allocation for the achievement of MDGs.
- The General Assembly has decided to hold a major event in September 2005, Millennium Declaration+5, with the participation of heads of state and government to assess the progress in the implementation of the Millennium Declaration. This Report will be released prior to this event and will provide an opportunity to bring awareness of the Asia-Pacific status with regard to MDGs to highlight the priority needs of the region.

III. Scope and theme of the second MDG report

Scope

As in the case of the first MDG report, the second MDG report is being anchored on the Millennium Declaration for achieving MDGs based on the values and principles set out in the Declaration by proposing policies and strategies in the context of the international human rights framework. It will update assessments made in the last Report in achieving MDGs with the latest data, with special focus on Least Developed Countries, Land Locked Developing Countries and countries in the Pacific and Central Asia. There was a lacuna in the first report in respect of addressing issues relating to the Pacific and Central Asian countries because of data limitations. Key experiences and lessons of sub-groups of countries in achieving the MDGs will underpin this analysis.

An important conclusion to be drawn from the first Regional MDG Report concerned the inadequate state of the data available to judge progress towards the achievement of the Goals. The present report will, therefore, make the case for enhanced capacity-building efforts directed at national statistical systems.

The Report will make an in-depth analysis of the three broad groups of developing countries in the region categorized in terms of their progress towards achieving MDGs:

- a. Those countries which are largely on track to meet the target of halving extreme poverty by 2015 and to achieving many of the social targets of the Goals;

- b. Those making good progress towards some individual goals, such as achieving universal primary education, but have been less successful in reducing poverty; and
- c. Those which are far from making adequate progress on most of the goals.

This differentiated focus would allow better targeting of advocacy efforts as well as responding to the varying needs of different countries. In particular, the Report will identify the binding constraints that prevent the MDG achievement in items (b) and (c) above.

The Report will endeavour to support in achieving MDGs, with special focus on, among other things, the following:

- Bringing out the key challenges as well as opportunities faced by the region in achieving each of the eight goals. An important contribution of the Report will be the documentation and analysis of the role of the various stakeholders in achieving the MDGs and the possible strategies that could be followed by them in delivering the required services to the ultimate beneficiaries.
- Highlighting best practices and lessons learned and extensively examining their replicability and sustainability with a view to deducing key messages for various stakeholders.
- Identifying the causes which are likely to result in some countries not achieving MDGs so that governments could be assisted to take measures to mitigate such risks at the community, national and regional level.
- Identifying areas requiring special attention both in terms of policy and its implementation.
- Sharing practical experiences which are more effective in achieving development goals and can be implemented efficiently and at low cost.

Special Thematic Topic: Institutional Change

Among a range of factors influencing the degree of the achievement of MDGs, three are regarded as key:

- (1) economic growth and its impact on the poor,
- (2) the level of human and financial resources and
- (3) the way institutions function, which are an indicator of development itself.

The first has been dealt with in the first Regional MDG Report with a focus on economic growth, income distribution and equity. The Global MDG Reports, being prepared by the Millennium Project Task Force team, focus on resource requirements, particularly in terms of increased commitments by donors.

The area of institutions, while widely discussed in the context of economic development has received relatively less attention in terms of its importance for achieving MDG targets. It is therefore important that a special theme of the Report

should focus on institutional change to achieve MDGs. This will add value to the theme of the MDG Report I on economic growth. This will help to understand better the role institutions can play in “trickle down” of economic growth as well as achieve better service delivery. Indeed, institutions themselves assist in promoting economic growth.

The definitions of institutions are many. For example, Nobel Laureate Douglas North, the best known proponent of institutional economics defined institutions as constraints that human beings devise to shape human interaction. These constraints include both what individuals are prohibited from doing and, sometimes, under what conditions some individuals are permitted to undertake certain activities. Joseph Stiglitz, another Nobel Laureate subscribes to a much broader definition of institutions covering formal rules, regulations and structures as well as informal arrangements. The literature provides different ways of classifying institutions which are interconnected. For convenience, these can be grouped into three approaches depending on the degree of formality, different levels of hierarchy and the area of analysis.

The following table gives a summary of a hierarchy based classification (Williamson 2000)² which would be a useful framework for the analysis of institutional changes in the Report. To what extent each level would be covered has to be decided, though handling formal institutions that can achieve results in the short to medium term would be a more manageable task.

	Level	Example
1	Institutions related to the <i>social structure</i> of the society	Mainly informal institutions such as traditions, social norms, and customs
2	Institutions related to <i>rules</i> of the game	Mainly formal rules defining property rights and the judiciary system
3	Institutions related to the <i>play</i> of the game	Rules defining the governance structure of a country and contractual relationships such as business contracts
4	Institutions related to <i>allocation</i> mechanisms	Rules related to resource allocation such as capital flow controls, trade flow regimes and social security systems

Why institutional change? Several reasons underlie the consideration of institutional change as the theme of the Report. Major among them are:

- While resources are indeed crucial for the attainment of the MDGs, institutions need to adapt to ensure optimal allocation of resources and to improve the quality and responsiveness (i.e. the need for participation and democratic governance) of public services.
- Institutions provide an enabling environment to help deliver services, shape human behaviour, effectively govern, protect human rights, promote

² Williamson, O.E. (2000), “The New Institutional Economics: Taking Stock, Looking Ahead”, *The Journal of Economic Literature*, Vol. 38, No. 3, pp. 595-613

inclusion and dispense justice. Institutions also create equal opportunity and empower people and touch every facet of human interactions.

- A nation's economic, political, legal, and social institutions determine the basic framework of incentives and opportunities within which development efforts take place. Even the best of organizations can accomplish little when some aspects of the broader institutional framework is antithetical to development goals.
- Many policies at the local and grass root level are not effective. Among other things, institutions, particularly informal institutions and local norms and customs could play a key role in the development process.
- There is a lacuna in policy advocacy and development efforts in addressing institutional issues in the perspective of achieving MDGs.

The Report will identify the major institutional constraints that impact MDG attainment. Institutional changes needed are cross-cutting in nature, such as:

- a. societal norms and institutions of an informal nature, including social capital that impact on access to opportunities and resources;
- b. public institutions that impact on service delivery by the public and private sector; and
- c. global and domestic institutions affecting international economic relations affecting trade and investments.

Strengthening existing institutions to make them more efficient, establishing new ones where there are none, and seeking synergies between different types of institutions to empower poor, in particular women could make a long-term impact. Some examples of recent successful institutional change are in Appendix III.

The Report will highlight the need for having an institutional apparatus that would enable the sustainability of development in a broader context including at the grass-root level. Policy advocacy in addressing related issues and thereby creating a conducive environment for achieving the MDGs would be the main thrust of the theme.

Institutional changes in selected special areas will be considered in the Report. It is proposed that special focus of the Report be limited to four major areas of institutions, which have major implications on achieving MDGs, particularly in low income countries. The analysis will be supported by country case studies in each sector.

- Institutions for local governance, decentralization, provision of quality services for the attainment of MDGs
- Institutions for democratic governance, participation, and rights based approach to MDGs
- Institutions relating to poverty reduction (savings and credit delivery etc.)
- Institutions relating to education, health and water service delivery

A critical cross cutting element across these areas is gender. Gender equality perspective facilitates attaining the MDGs – gender equality is important not only as a goal in itself, but also as a path towards achieving the other goals. Gender inequality lends itself to low labour productivity, inefficient labour allocation in households and economy, unequal distribution of resources, and lack of security, opportunity and empowerment. While women and girls bear the largest and most direct costs of these inequalities, the costs cut broadly across society, ultimately hindering development and poverty reduction.

Some of the questions to be addressed in the Report are:

What type of institutional change be acceptable to people? The relative gains from institutional change may be the determining factor in its acceptability. Inequality and other forms of polarization make it more difficult to build consensus for policy changes.

Why countries with same growth rates produce different results relating to MDGs? Do institutions matter in this respect? An analysis of what kind of institutional arrangements helped countries such as Japan, Singapore and Republic of Korea (or even countries in South Asia) achieve development goals will also help understand the role of institutions in facilitating the operationalization of the trickle down effect.

How institutional change could transform socio-economic, political and cultural systems over time to assume a newer architecture? In today's context, a 'just and inclusive change' would be one which would enhance enablement of larger numbers into the societal mainstream. Such a change would also improve systemic efficiency and permit a higher distribution of gains. *Dynamic* institutions are flexible, and they easily adapt to changes emerging from scientific and social advancements

How to make institutions more flexible for them to be effective, efficient and dynamic? Institutions must be flexible to change. In developing countries, the situation with regard to institutions varies from one setting to another. In each, a *change process* is one which finally leads towards achieving human development goals

Another area of concern is trade, which is one of the key vehicles for promoting economic growth and through it poverty reduction. This is a policy strategy of most Asia-Pacific countries. For countries, particularly LDCs and small island economies the key issue is how to benefit from the Doha Development Agenda. What institutional changes are necessary for such countries to benefit, particularly in terms of reducing supply constraints? However covering the above four areas and trade may be too ambitious. Another way would be to treat this separately as this is a mainstream policy in many countries in the Asia-Pacific region. **Can we ignore institutional issues on trade as this is a major issue for most countries in the region?**

The subject of institutions being broad and complex, a choice has to be made to narrow down the scope taking a **selective approach**. Guidance from the Advisory Panel in this respect is vital.

IV. Inputs

A number of Technical Background Papers (TBPs), which will focus on institutional changes required for achieving MDGs will be prepared by the Secretariat on selected issues, which will serve as inputs into the MDG Report along with the existing literature which would be carefully reviewed and analyzed to provide a sound and practical institutional framework for the theme of the Report. The TBPs that the Secretariat would prepare are:

- Synthesis of national and subregional MDG reports in Asia and the Pacific
- Promoting micro initiatives to achieve the MDGs
- Linkages between the MDGs and national poverty reduction strategies, including PRSPs
- Implications of the Doha Development Agenda for the achievement of MDGs in Asia and the Pacific
- Progress made in achieving the gender-related MDG
- Good governance in support of achieving the MDGs
- Water, sanitation and health

As could be noted there is no specific TBP, at this stage on education and health which have key targets in the MDGs. In this regard, inputs from UNICEF/UNESCO/WHO as well as the ADB can complement the current efforts.

Statistical inputs for the Report will be from the United Nations Department of Economic and Social Affairs (UNDESA) data base on MDG targets and indicators supplemented by more recent national data (Appendix V).

A draft annotated outline of the second Report is at Appendix IV.

V. Target Audience

The primary target group of the project is all stakeholders that are involved in the project. This will include partners from public sector, NGOs civil society, including the private sector and the media that have influence in the achievement of MDGs

VI. Policy advocacy and Dissemination Strategy

The analytical outputs and related national experiences and good practices will be disseminated and reinforced through communication and capacity development activities involving the following.

- a. National and international media
- b. The organization of regional, sub-regional and national forums, expert group meetings, advocacy events and training workshops, and
- c. The development of a regional internet-based MDG resource facility.

Communication and capacity development activities will target a broad range of stakeholders, including political and opinion leaders, civil society, the private sector and research institutes with a view to sensitizing stakeholders to key policy issues and

recommendations emerging from the Report and influence change in the MDG-related decisions-making process.

A special brainstorming session is planned for March/April 2005 to develop key messages from the report for dissemination to the various stakeholders.

Millennium Development Goals

Goal 1: Eradicate extreme poverty and hunger	Target 1: Halve, between 1990-2015, the proportion of persons whose income is <PPP\$1 a day Target 2: Halve, between 1990-2015, the proportion of people who suffer from hunger
Goal 2: Achieve universal education	Target 3: Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary education
Goal 3: Promote gender equity and empower women	Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and at all levels of education not later than 2015
Goal 4: Reduce child mortality	Target 5: Reduce by 2/3, the under-five mortality rate
Goal 5: Improve maternal health	Target 6: Reduce by ¾ bet. 1990-2015, the maternal mortality ratio
Goal 6: Combat HIV/AIDS, malaria and other diseases	Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS
	Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
Goal 7: Ensure environmental sustainability	Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
	Target 10: Halve by 2015, the proportion of people without sustainable access to safe drinking water
	Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers
Goal 8: Develop a global partnership for development	Target 12: Develop further an open, rule-based predictable, non-discriminatory trading and financial system
	Target 13: Address the special needs of the least developed countries – includes tariff and quota free access to least developed countries' exports; enhanced programme of debt relief of HIPC and cancellation of official bi-lateral debt; and more generous ODA for countries committed to poverty reduction
	Target 14: Address the special needs of land-locked countries and small island states
	Target 15: Deal comprehensively with with debt problems of developing countries through national and international measures in order to make debt sustainable in the long run
	Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth
	Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries
	Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications

1. Global Monitoring Report: IMF-World Bank/ other reports of Fund-Bank (<http://www.worldbank.org/MDGs.htm>)

The reports admit that the Asia-Pacific region as a whole will in all likelihood achieve goals in more than halving the number of persons below the income poverty line in the period 1990-2015, though most other targets, particularly those in environment and health are unlikely to be met.

The principal messages put forth in these, in the context of achieving MDGs in the Asia-Pacific region are to promote (primarily in low income, indebted and transitional economies; generally in all those which still have populations living in poverty):

1. To strengthen market institutions where they are weak, and create conditions for the private sector to grow so as to provide a boost to incomes and reduce unemployment – this will mainly apply to countries where large populations are yet not integrated into the larger market systems and institutions of market regulation are yet to be put in place ;
2. Raise the rate of economic growth – particularly those that have not grown beyond 3-4% in the last decade;
3. Raise transparency and accountability in public sector;
4. Slash tax exemptions so as to raise public revenues – set standards for this;
5. Raise expenditure on human development – invest in people (public expenses on education should be at least 5-6% of GDP; on health 5%)
6. Enhance quality of service delivery, particularly in the health and education sectors – targeting education, health (incl. HIV/AIDS), social assistance;
7. Raise expenditure on infrastructure – specifically that which preserves environment and increases Human Development, e.g. water, sanitation, transport – to increase to 3.5-4% of GDP in lower income countries, and 2.5-4% in lower-middle income countries;
8. Ascertain macroeconomic stability to ensure (1) above – particularly inflation control, currency stability;
9. Speed up implementation of Monterrey partnership – primarily with respect to increasing and providing better quality aid and resource transfers, and also genuinely pursuing targets in freeing trade (Doha Round)
10. Initiate and/or deepen the PRSP process in countries where there the extent of poverty is still large

2. Asian Development Bank (ADB Review, June 2004: Millennium Development Goals – Will Asia and Pacific Achieve Them?; *Millennium Development Goals in the Pacific*; ADB, Manila, 2003).

The biggest challenge in the region, despite rapid growth witnessed in the recent years, is poverty alleviation – there is emphasis on strengthening the national development framework rather than follow international standards alone.

1. Mainstream MDGs in the country strategies of individual countries (low income countries, countries that are still some distance from MDGs);

2. Within countries, combat corruption and promote good governance; if necessary, create institutions of good governance – low income and low-middle income countries;
3. Engage different stakeholders and partners within countries in the development process;
4. Raise human and systematic capacity building, promotion of scientific skills, training;
5. Increase options for raising new resources – also establish targets for resources in terms of say percentage of GDP in the form of taxes;
6. Create capacities within countries for monitoring and evaluation and measuring progress on MDGs and policy analysis (esp. low income countries).
7. Between countries and within regions of countries: Promote more transfers of technology, seek better use of science and technology for raising production and for human development (e.g. employ superior technologies for agricultural development);
8. Between countries: Increase the flow of both trade and investments in addition to aid flows.

3. Chronic Poverty Report 2004-5 (Chronic Poverty Research Centre, University of Manchester, Manchester, 2004)

This report primarily focuses on identification and measurement – which according to the report, is as vital as policy.

1. Chronic poverty is multidimensional – e.g. by nutrition, health, water, illiteracy
2. Dynamics of chronic poverty has to be understood for effectively addressing it through policy intervention
3. Many different people suffer such poverty and deprivation: people who are discriminated against, stigmatised or ‘invisible’; socially-marginalised ethnic, religious, indigenous, nomadic and caste groups; migrants and bonded labourers; refugees and the internally displaced; or disabled people or those with ill-health (especially HIV/AIDS). In many contexts poor women and girls, children and older people (especially widows) are likely to be trapped in poverty – this itself highlights the different dimensions of poverty.
4. Social exclusion, regional exclusion, weak governance, cultures of poverty and poor international co-operation are among the reasons for persistence of poverty.
5. An all-round approach, in which mainstreaming the anti-poverty agenda, is proposed. Use of the PRSP framework in addition to pursuit of MDG-based system is identified as approaches. In fact, as for the approach, the proposal is to push any process that helps alleviate poverty in a country.

4. Millennium Project (<http://unmillenniumproject.org/html/aboutus.htm>) [Selected draft chapters only]

The underlying logic in this report is to stress upon higher growth targets with a great deal of policy follow-up on achieving MDGs; they will not happen on their own. It is important to set standards for each policy at micro levels and have monitoring processes in place.

1. Targeting to address poverty is vital – identify hunger spots, create public action for hunger alleviation, align critical policies to support hunger alleviation objectives;
2. Increase public investments in basic needs, increase emphasis on rights for women and other excluded groups, promote rural development through raising small farmer productivity, increase productivity in marginal lands, promote competitive business environment;
3. Concentrate on girl child education, raise monitoring and accountability standards for ensuring better participation in education, deploy more resources to primary (universal) education, reach out to families in which children are not in schools;
4. Build functional health systems with focus on emergency obstetric care, link neo-natal and maternal mortality strategies;
5. Combine health with nutrition initiatives;
6. Ensure community participation strategies, ensure women's participation and gender rights;
7. Develop and synchronise strategies for environmental protection and maintaining bio-diversity with strategies of services provision in, say water and sanitation.
8. Promote access to genetic resources to all parties on mutually agreed terms;
9. Enhance exchange of information, scientific research and socio-economic analysis.

(Further elaboration will be provided as the various drafts get revised.)

Appendix III

Some instances of successful institutional change in the recent times

S. No	Country	Strategy	Outcome
1	China – land reform	Land re-distribution and reform (incl. reform in 1978)	Increase in production, incomes, household level food security, averting droughts
2	India (Karnataka)- land registration	Computerisation of land records (state initiative), 1990s	Reduced time in land registration, immediate availability of registered papers with photo identity of buyers and sellers; Security of tenure
3	Bangladesh – meeting credit needs	Extending credit to poor and un-bankable, social organisation of poor (Grameen); 1976-till date	Economic and social security and political voice for the poor, increasing incomes and productive capacities of the poor
4	Bangladesh – primary education	Informal education (linked to Grameen) – BRAC – till date	Increased school enrolment among children in rural areas and the poor,
5	Japan – old-age pension	Combined formal and informal pension scheme – government, community partnership – current	Better coverage of older people, better services at relatively cheaper prices
6	China – agricultural production	Rice bowl system – this has options for intensifying rice productivity – 1970s/1980s	Food security ant national and household levels; better distribution
7	India – dairy production	Collective milk marketing (AMUL) – 1960s till date	Increase small producers' income; raise production; increase forward and backward linkages
8	India (Gujarat) – Organising poor women	Extending social and legal security among informal sector workers (SEWA) – 1970 till date	Minimum wages; legal protection; increased health coverage, old age pension; protecting right to work
9	Cambodia – public action	GO-NGO partnership on combating HIV/AIDS – extensive use of media – 1990s	Reversal in trend in the spread of the disease
10	Sri Lanka – social services	Decentralisation in social service delivery to permit better fun utilisation; better targeting; till date	More educated and healthy population; control on fertility rates; longevity
11	Sri Lanka – agricultural production	System of contract farming with food processing companies – 1980s till date	Assured marketing for small producers and pre-determined prices
12	Malaysia – environment	System of environment monitoring using electronic technologies – current	Superior surveillance and maintenance of environment
13	Thailand/India – TRIPS (under WTO)	Design and application of IPR to manufacture cheap (bulk) anti-retroviral drugs for	Drugs available at 10% of the otherwise prevailing costs

		HIV/AIDS patients – 1990s (current)	
14	Malaysia – capital and money markets	Unified market regulation for securities (as against state-level controls earlier); 1993-till date	Control of excessive outflow of foreign exchange in volatile times (late 1990s)
15	Thailand - credit	System of informal collateral transactions using land titles – 1980s till date	Borrowers can access private credit without going through expensive and lengthy procedures
16	India – credit	Creation of Regional Rural Banks – 1970s till date	Reduce overhead costs in extending credit to farmers
17	India (Gujarat) – technology dissemination in rural areas	Gathering innovative and inexpensive practices in raising agricultural and rural productivity and disseminating these; current	Dissemination of appropriate technologies, use of efficient electronic media for rural development; increased and more certain incomes, reduced drudgery
18	Thailand/India – public representation	Electoral reforms; current	More fairness in electoral process
19	Bangladesh – legal aid	Maduripur Legal Aid Association; current	Dispense inexpensive and quick justice at the community level to women; high acceptability and compliance of judgements
20	Cambodia/Bangladesh	Mobile phone connectivity – 1990s – current	Connectivity at distant and remote locales; in the process: better knowledge to farmers about markets, health services, government policies
21	Cambodia	Extending radio/TV network (current)	Remote dwellers not having electricity or roads are able to avail of radio/TV run on battery sets
22	Thailand/India	Law on right to information (current)	Better and more transparent governance

**Draft Annotated Outline of the second report on
“Promoting the MDGs in Asia and the Pacific”**

Chapter I: Introduction

The introductory Chapter will give a brief overview of Millennium Declaration, in particular the Millennium Development Goals and the efforts in supporting the achievement of MDGs by countries in Asia-Pacific region. The following areas will also be briefly covered:

- The objectives, scope and focus of the second MDG Report
- Why institutional change as the theme of the Report?
- Implementation of the MDGs

Chapter II: State of Progress of the Achievement of the MDGs in Asia-Pacific

The objectives of this chapter would be to provide a region-wide assessment and analysis of the progress made and obstacles encountered in achieving MDGs. Key experiences and lessons of major sub-regions in achieving the MDGs will underpin this analysis. The following issues will also be covered in this Chapter

- An analysis of the progress made by the three groups of developing countries in the region categorized in terms of their progress towards achieving MDGs:
 - Those countries which are largely on track to meet the target of halving extreme poverty by 2015 and to achieve many of the social targets of the Goals;
 - Those making good progress towards some individual goals, such as achieving universal primary education, but have been less successful in reducing poverty; and
 - Those which are far from making adequate progress on most of the goals.
- The “Asian story” highlighting successes made by certain countries in the region to stimulate policy advocacy and making an enabling environment. Best practices will be highlighted and their replicability and sustainability will be thoroughly examined with a view to deducing key messages for various stakeholders.
- The key challenges, obstacles as well as opportunities faced by the region in achieving each of the eight goals.
- The institutional constraints, obstacles and barriers that are likely to hinder the development process, in particular the achievement of MDGs.

Chapter III: Institutions and Millennium Development Goals

The main objective of this Chapter would be to provide a theoretical framework for institutional change.

Major questions that would arise in this respect are:

- How to link institutional changes and MDGs?
- What should be the institutional framework that is going to be adopted in this report? Should the Report consider institutions in the classical sense (as North (1990) suggests) according to which institutions include any form of constraint that human beings devise to shape human interactions? Or should it be broadly defined to link it to various different measures of institutional quality to development outcomes from various angles and disciplines?
- Whether the Report should confine to macro or micro level institutional aspects? Or should it strike a balance between macro and micro aspects of institutional change?
- Should it confine to formal institutional arrangements or should it also cover informal institutions as well as traditions, customs, norms and cultural habits?

It is proposed that the Report should strike a balance between the different levels of institutions covering both macro and micro level institutions. The following areas would need special focus.

- Role of institutions and their interface with MDGs-the conceptual framework.
- Elements of institutional change in the context of MDGs
- The practical aspects of institutional change

Where to draw the line is to be decided.

Contents from Chapter IV onwards are only indicative

Chapter IV: Special areas of focus on institutional change

This is the anchor Chapter. This Chapter will cover institutional changes required for achieving MDGs at the national level. The approach would be to initially give a brief analysis of institutional aspects related to growth and sustainability and then discuss the special areas of focus on institutional change, which are critical for achieving MDGs.

The major areas to be covered are:

Legislative and regulatory frameworks. Examples of issues to be raised and addressed are:

- How the legislative mechanism could be used/improved for:
 - Increased land ownership and addressing issues involved,

- Protection of human rights, in particular women's rights,
- Introduction of a regulatory and a legal framework for addressing issues related to misuse of public goods such as water leakages, illegal connections and vandalism which plague the water delivery systems,
- Reaping the benefits of trade through fair competition and protection of consumers and
- Ensuring good governance.

The independency of the judiciary. Some of the issues that will be analyzed are:

- How to strengthen the law and order situation and ensuring the fundamental rights of people?
- How to promote judicial activism, which in turn would improve the overall judicial system?
- How to protect the integrity of the civil service to encourage service delivery according to their conviction rather than being politically biased in decision-making thereby making the civil service more effective?

Transparency and accountability. The establishment of transparency and accountability rules could lead to good governance.

- Corruption at all level being a major issue in the region (according to Transparency International, the level of corruption is very high in the region and has further deteriorated in most countries during the recent past),
- How corruption affect the poor or MDGs? Effective transparency and accountability rules are essential for the efficient use of scarce resources for development purposes.
- The study needs to identify the areas in which transparency and accountability are lacking and how badly they impact on trade and investment, public service delivery and governance and how to tackle the issue effectively.
- How to de-institutionalize corruption?

The civil service. Some of the issues to be raised and addressed are:

- (i) How the civil service could be made efficient?
- (ii) How the distant relationship between the civil service and the poor could be narrowed so that the poor have access to information and other resources? and
- (iii) How the red tape can be removed for improving the efficiency of each sector?

Special focus will be on the following areas which have to be narrowed down

It is proposed that the special focus of institutional change be limited to four major areas of institutions which have major implications on achieving MDGs, particularly in low income countries.

Local governance. Decentralization could help to maintain political stability, a pre-requisite for development although it may have efficiency concerns. The following issues will be discussed:

- Providing access to goods and services. Good governance at the local level could also enable the implementation of equitable taxation and efficient tax collection and putting in place safety nets for the vulnerable groups.
- Misalignment between responsibility and devolution of funds, and capacity to raise resources locally
- Institutional aspects relating to local governance, with focus on;
 - Lessons from advanced countries in the region
 - How to improve governance at the local level?

Democratic governance.

- Enhancing the participation of poor people especially in rural areas in the decision making process, and allowing the poor to raise their voice and increase the ownership of policy advocacy.

Savings and credit delivery

- Institutions of savings and credit delivery including micro-finance (including linkages with national banking, banking regulations, directed lending, central bank role including independence of the central bank), specifically, though not exclusively, of women and poor households, in rural areas. Additional issues to be covered may include the following:
 - What are the lessons that can be derived from Grameen Bank of Bangladesh and other countries?
 - What makes up-scaling of success stories in other countries difficult?
 - How to make use of regions savings for the benefit of the poor?

Education, health and water supply

Certain developing countries in the Asia-Pacific region face serious challenges in reducing maternal and infant mortality, which is reflected by the scarcity of doctors and the high rates of births not attended by skilled health personnel. In countries such as Nepal, Bangladesh, Bhutan, Indonesia, Lao People's Republic and Cambodia, physician to population ratio is so small that one cannot expect to receive reasonably quality health care.

- Institutions relating to education and health service delivery in low income countries.
 - Improving completion rates and providing universal education, educating mothers, reducing school dropouts, vocational training at the local level
 - How to minimize the opportunity cost of sending children to school
 - How to use local institutions, including municipalities effectively in the provision of primary health care, especially in rural areas?
 - How to improve the availability of nurses and mid-wives in least developing countries to reduce maternal and infant mortality?

Gender being a cross cutting issue, gender aspects in all areas (in particular improving access to resources, economic opportunities and the decision making process) will also be analyzed in the Report.

Chapter V: Institutional Change: Benefiting from globalization (Optional)

This Chapter will analyze the institutional changes that are linked to the external sector, in particular activities involving external partners. The link between trade and finance and MDGs is indirect. Yet, trade and finance are important elements of sustainable development. Trade in particular could provide a fillip to efforts to achieve MDGs by acting as an important source of employment generation. The following areas would be covered in this Chapter.

International trade and finance:

- How to improve the informed participation of developing countries in the rule making processes at the global level? How the poor could prepare for facing the global challenges?
- How to reconcile international commitments and national development priorities?
- What constraints the poor participating in international trade? What institutional changes would be required for improving the supply side for poor to effectively participate in international trade?
- What are the institutional arrangements that permit pro-poor trade policy reform?

Two additional issues (important but not exclusive) to be addressed are:

(a) Property rights

Protection of property rights would be necessary to promote entrepreneurship both at the international and local level. This would also improve the perceptions in the eyes of international investors and donors, as the protection of intellectual property rights remains a major concern for most foreign companies doing business in developing countries. The lack of adequate protection for property rights is often considered by foreign investors as one of the major causes for refraining from making investments in developing countries. This could adversely affect the international transfer of technology and thereby economic development in developing countries

(b) Internationally accepted management practices, standards and codes

Adherence to internationally accepted standards and codes would enhance foreign investor confidence boosting investment and growth. It would also inculcate a habit of adopting good management practices locally both at the public and private sectors enhancing efficiency. The study may explore how such practices could have a positive impact on the poor.

Chapter VI: Conclusion.

This Chapter will summarize the main policy messages

Appendix

- Data gaps
- Statistical appendix
- Key messages of other reports relating to MDGs
- Theoretical framework for Institutional Change

MANAGEMENT OF STATISTICAL DATA WITHIN RAS/04/061**SUMMARY**

This note, prepared by the Statistics Division of UNESCAP, outlines issues pertinent to the management of statistical data and metadata within the UNDP-funded and UNESCAP-executed project RAS/04/061, Supporting the achievement of MDGs in Asia and the Pacific.

Adding value with regional analysis

Statistical data for the second regional report on MDGs in Asia and the Pacific (and other analytical papers produced by the project RAS/04/061) will mainly come from secondary sources³, which means that most series are likely to have been previously published elsewhere. RAS/04/061 adds value to data by publishing and analysing national data in a format and quality where countries/areas can be compared with each other. Additional value added comes from synthesis of analyses done at national and subregional levels. The aim is to support the achievement of MDGs by forming a regional view for advocacy and policy-making purposes.

The data needs of the project are clearly best defined by the analysts drafting the planned studies. The formal MDG indicators from the global database, which are maintained by the United Nations Statistics Division at http://millenniumindicators.un.org/unsd/mi/mi_goals.asp, will form a basis of the stock-taking in the regional report. Because of the limited number of indicators and the scarcity of complete time series in the database, it is obvious that supplementary data are needed to obtain an acceptably complete regional picture of the state of affairs and progress made in the region. Data will be sourced from national and international statistical databases and publications, and from various analytical and advocacy reports at national, subregional and global levels. Figure 1 summarizes the external statistical setting of the project.

³ Organization or individual other than those responsible for the collection and aggregation of data from their initial source (surveys, censuses, administrative records).

Proposed management of statistical data

RAS/04/61 will collect data from a fairly large number of sources. Some data will be available only for one point of time, others will have a baseline comparison point, while some others will be available in full-length time series from 1990 onwards. As the quality of data series will inevitably vary, it is essential to capture the available metadata at the time of collection, including the original and secondary sources and methodological information. The project data system should be designed to capture, store and output the data and metadata in a manner that minimizes the effort required to verify and update them at the time of publishing. In practice, this requires the setting of standards for data and metadata entry, and construction of the database in a manner that facilitates quick updating of the data and metadata whenever required during the project.

Based on the Statistics Division's evaluation of the package and its demonstration to an interdivisional project meeting, the secretariat has decided to establish a statistical database for the project using the DevInfo platform⁴. The establishment of the database for the project would involve the following steps:

- Design of a DevInfo database for project purposes, including indicator hierarchy, indicator harmonization and metadata presentation
- Establishment of a data advisory group to approve the database design, establish standards for data and metadata maintained in the system, and provide guidance on publishing of data
- Population of the database with the core MDG data for 58 regional members and associate members via construction of a relatively seamless data link from the MDG indicator database
- Drafting of user guidelines
- Gradual augmentation of the database with supplementary indicators

The aim is to have the central database established before the end of 2004 (steps a-d) and subsequently use it to produce various types of project outputs, including tables, charts, maps, and customised data CD-ROMs to accompany the printed reports. DevInfo is being developed further, most notably towards capability to publish data, charts and maps on the web. The longer-term strategy is to integrate the database in the regular holdings the Statistics Division.

Issues for the Advisory Panel

Based on the above, the Advisory Panel may wish to discuss the desirability of publishing statistical add-on products with the project publications, especially the regional report. The Panel may also have views regarding the roles of UNESCAP and its partners in the long-term statistical monitoring of MDGs, taking into account the existing system (refer to Figure 1) and available global, regional and national databases.

⁴ DevInfo is a UNICEF-developed database system for disseminating time series data. It has been endorsed by the United Nations Development Group for MDG monitoring at country level and within the United Nations system. (See www.devinfo.org)

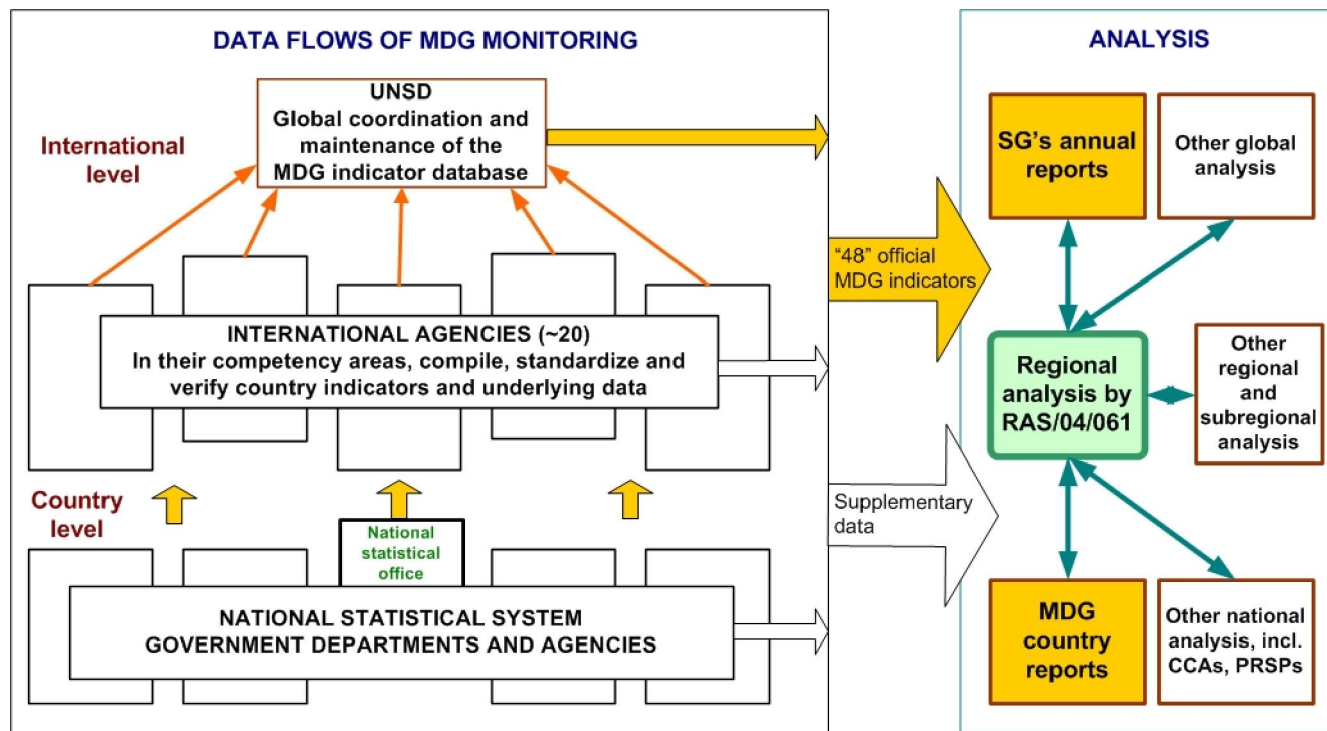


Figure 1. Data flows of MDG monitoring, and analytical and advocacy reporting at national, regional and global levels