

STRATEGY OF RESPONSE TO TRANSFORMATIVE CHANGE CHAMPIONED BY YOUTH IN THE ARAB REGION



**United
Nations
Development
Programme**

Foreword by the Regional Director, Regional Bureau for Arab States

The Arab region is experiencing a defining moment in its modern history. Millions of women and men across the region have issued a resounding call for change. Youth have voiced in new ways their aspirations for a say in the decisions that affect their lives, and for transparent and accountable governance. People of all walks of life in several countries have united to demand that governments honor the dignity that they carry inside and recognize in one another. For the first time in the region, several countries have taken bold and decisive steps on the long road to democratic governance—but all are still undergoing intense renegotiations of their future trajectories.

UNDP since its inception has worked hand-in-hand with Arab societies to foster country-led processes toward economic development, and in recent decades has also supported efforts toward the creation of environments in which human rights are enjoyed and governance systems are capacious, accountable and responsive. In this work we have increasingly broadened our engagement with a wide set of stakeholders including civil society and opinion leaders in the region.

Since 2002 UNDP has additionally made key contributions to shaping the overall development agenda in the Arab region. Our Arab Human Development Reports have consistently identified development challenges and offered roadmaps for the reinvigoration of Arab development. These innovative reports have fostered widespread discussion in the region around the centrality of freedom, knowledge, women's empowerment and human security to the overall process of human development and social progress. Written by Arab scholars and championed by Arab opinion leaders, these reports have reinforced what Arab youth are proving to be true today: that the Arab societies hold the key to transformation in their own hands.

The challenges facing the Arab countries at their current juncture lie at the crossroads of governance and development—and so do the opportunities. Moving toward more inclusive political systems and more widely shared economic growth is essential for meeting the aspirations voiced today in many parts of the region.

With its history, engagement and role as a catalyst of regionally-owned development thinking, UNDP is in a position to provide support to the Arab societies as they chart their course in this pivotal moment. The present Strategy provides the framework within which UNDP will offer to accompany the Arab societies in their process of transformation. Based on UNDP's mandate, experience and capacities, the Strategy lays out the key areas of support that UNDP can provide at this juncture. Its intended audience is national partners throughout the region. It may also serve as an outline of areas of joint work that can be undertaken with sister UN agencies and partners in the regional and international community.

Drafted in full recognition of the diversity of circumstances and operational environments across countries in the region, as well as the dynamism of the current moment, the strategy is intended as a “living document” to be updated and contextualized by national partners.

Amat Al Alim Alsoswa

*Assistant Secretary-General and Assistant
Administrator, Regional Director,
Regional Bureau for Arab States,
United Nations Development Programme*

Executive Summary

The Arab region appears to be embarking on a major revision of the long standing social contract which has underpinned governance structures of the region. The relationship between State and citizen has become strained by virtue of rising expectations of an increasingly well informed and educated public confronting the diminishing ability of the State, in the ever more liberalized economic system, to offer jobs and other opportunities for engaging in decisions which affect their lives and aspirations. As an increasing number of youth found themselves without jobs or voice, they have led the current wave of political contestations.

The youth in the region are clear in their expectations of transformative change within a development paradigm that reaffirms the centrality of human beings and in particular of human dignity. There is a corresponding need for impartial international support for peaceful transformational change processes that respond to people's aspirations for human dignity and which is fully cognizant of the constraints within which the development discourse takes place. The UN system in general and UNDP in particular has a major role to play as the people of the region chart a new paradigm of people-centred development.

The current strategy has been drafted to act as a guide for mutually supportive action at the regional and national levels, while taking into account the important nuances and differences from one country to the next. Clearly there is need for support in developing, in a participatory manner, a new type of social contract, while concurrently working to address some of the major development failures which have fueled the current wave of discontent, notably socially explosive levels of youth unemployment and wide degrees of regional disparities within and between countries. It is not at all a question of denying the role of the State in socio-economic development, but rather to argue for a strong and capable state that is responsive to popular aspirations and focused on societal and inclusive development.

The problems of the region result from the interplay of political and socio-economic factors, with non-representative or non-inclusive and participatory polities reinforcing and being reinforced by rentier economies. Hence the solution should also build on a symbiotic relationship between truly representative political systems and economic systems that promote productive investment and set in motion a virtuous cycle of increasing productivity and wider markets creating jobs in diverse sectors and sub-nationally.

The negative effects of corruption on optimal use of public resources and productive private investment need redress through a system of checks and balances that ensures societal control over use of public assets and provides the private sector with the required stability to invest for the long term. The increasing voice of the voiceless would help underpin social stability and cohesion hence strengthen national identity and security. The funds currently allocated to internal security can thus be diverted to funding investments in human capabilities.

A transformed region which invests more in its people and uses its natural resources more wisely would be able to regain its central place at the crossroads of humanity as a beacon of hope and progress. It would also be more able to deal more effectively with its fragile environment and situation of water scarcity that have already disrupted the livelihoods of many in some of the poorer parts of the region and threaten others if no urgent action is taken to resolve them.

Introduction

The rising tide of youth-led transformative changes in the Arab region, which resulted successively in the downfall, after decades in power, of the presidents of Tunisia and Egypt, has opened up new possibilities for re-thinking international development assistance in ways that lend more prominence than heretofore to the interlocking issues of authentic democratic governance, social justice and equity, and employment-led growth (particularly as youth and female unemployment rates are the highest in the world).

For a start, the determinants of “stability” and “national ownership” require a fresh look; the first can no longer be approached only through a “security” lens; the latter can no longer ignore issues of legitimacy.

UNDP is well-positioned to address the key interlocking development challenges in the Arab region which underpin the growing impetus for positive transformative change and condition the smoothness of the transition processes it sets in motion, as well as the responsiveness of its outcomes to the aspirations of the Arab peoples to human and national development and dignity. Building on the four pillars of its Strategic Plan and its practical experience and knowledge globally, in the region and at country level, including the farsighted analyses contained in its global, Arab regional and country-specific national Human Development Reports, as well as other of its relevant Arab region and country-specific reports, this Response Strategy outlines UNDP’s understanding of the issues underlying the wave of transformations in the region and its proposed programmatic response.

This Response Strategy recognizes that underlying the rising tide of popular contestations for transformative change in the Arab region are critical **development failures**, especially the deficits in governance, freedoms and social justice and, in particular, at their nexus with poverty, unemployment and inequality—in essence, failures in promoting and protecting human and national dignity. It recognizes that the move for transformational change in the Arab States region—Tunisia and Egypt, in particular - was triggered by popular will.

While every country in the Arab region is, perforce, affected—whether directly or indirectly, at the margins or at the core—by this seeming tidal wave of youth-led popular contestations, it is important to recognize and bear in mind that the extent and impact of the development failures underlying this rising tide, as well as the means and measures taken or to be

taken to redress them, differ from country to country; also, that the course, dynamics and outcomes of transformative change processes vary as well, sometimes considerably. Therefore, this UNDP regional response strategy needs to be validated by, and appropriately tailored and calibrated to, the specificities, fluidities and dynamics in each country context. In this light, this response strategy is presented as a “living document.” That 15 RBAS countries are at different stages of their new planning and programming cycles, UNDP Country Offices, together with their broad-based national partners, are in a unique position to determine the most appropriate entry points for UNDP’s value-added and how best to respond to the emerging challenges and opportunities brought to the fore by the processes of transformative change.

Background

In the Millennium Declaration in 2000, all the world’s Governments resolved “to spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development.” Five years ago at the World Summit, all the world’s leaders agreed that democracy, development and security are interdependent and mutually reinforcing.

A decade into the new Millennium, the world has been catapulted into a global context of increased volatility, accentuating the vulnerability of countries and populations to crises—man-made and natural disasters—of various kinds. The initial reaction to the global food and financial crises was to focus on economic targets, pushing the democratic governance agenda somewhat to the sideline and so too poverty reduction and social equity; the “global war on terror” provided additional incentives to downplay attention to democratic values and even to justify the abrogation or curtailment of basic freedoms and human rights in the name of security.

The chain of global events witnessed over the past few years has led to a renewed thinking on the role of the State and its institutions. While the reaction to the debt crisis of the 1980s was primarily to reduce the role of the State, the 2008 financial crisis seems to have generated a recognition that this crisis was caused, in part, by weak regulations and accountability mechanisms. As a result, the reaction in many countries, including the developed countries, has been to call for a more assertive role of the State, in particular, as a regulator of economic activity.

In the Arab States region the recent youth-led popular contestations point to the important nexus of equitable economic development, clean government and freedoms, be they economic, social, political or cultural. Without inclusion and integrity, a capable and effective State is not a guarantor for political stability. Hence, the events in the Arab States region are likely to trigger renewed attention to governance models and democracy trajectories, as well as to employment-driven inclusive and equitable economic development—particularly responsive to Arab youth—that result in social contracts which reflect more inclusive state-society relationships and more responsive and accountable citizen-centred government.

The course and dynamics of these popular uprisings as well as their outcomes will necessarily vary by country. For example, Tunisia and Egypt have respectively undergone a broad-based people's revolution and are now at the beginning of the long road ahead towards consolidating transformational change in the system of governance (political, economic and social) so that it genuinely responds to the people's aspirations for human and national dignity; this also entails safeguarding already hard-won gains. Popular contestations in some of the other countries in the region are overlaid by unresolved internal conflicts which could result from, and are fuelled by, a sense of exclusion based on sect or tribal affiliations. It is noted also that some contestations started peacefully but were met by brute force and descended into armed conflict that exacts a heavy toll on the lives and limbs of the civilian population. In other cases, open political contestations have been met with a range of responses—proposed political and economic reform measures, financial incentives, negotiation and dialogue—which set out to partially meet, contain and/or pre-empt popular demands for transformative change. In some countries, for instance, the Emergency Laws were rescinded; in others, far-reaching reform measures have been announced, which included clear separation of powers and effective decentralization.

These popular contestations remind that people do care about how they are governed. We are also reminded that people aspire to economic and political opportunities alike and to human and national dignity. They aspire to decent jobs and to have a voice in an orderly and transparent transition of power which respects, protects and enforces their rights and their equitable access to resources, assets and quality services.

The statement of the United Nations Secretary-General Ban Ki-moon last January at the global security conference in Germany is consistent with the above analysis, where in speaking about recent events in Tunisia and

Egypt he says: “We do not know how these events will end. But this much we do know. They are driven, at bottom, by human insecurity: poverty, diminished or disappointed expectations, the lack of good governance—corruption, ineffective public institutions, a deficit of democracy. Insecurity grows with injustice—where human rights and human dignity are not fully respected, and where there are sharp and growing inequalities of wealth. Our message is clear and direct: the will of the people is paramount. Meaningful participation in decision-making is among the foundations for social stability and security. Repression and disregard for fundamental rights and freedoms breed crisis and insecurity.”

Contextual Analysis

A rising tide of Arab youth has emerged as the champion of transformative change across the Arab region. In Tunisia and Egypt they galvanized a broad-based and popular revolution. The origin of this awakening is not unanticipated. Over the last nine years UNDP has convened scholars, policymakers and opinion leaders in the region to analyze and assess the extent of development challenges facing their countries. Their findings, captured in five volumes of the Arab Human Development Report, foster a broad, informed discussion on the key questions facing stakeholders in the pursuit of human development to its full potential. Further relevant studies are the joint League of Arab States-UNDP report on Development Challenges in the Arab Region, concentrating on poverty, unemployment and food sovereignty, which was endorsed by Arab Heads of State and Government in their first Economic, Social and Development Summit in Kuwait in 2009; and the joint LAS-UNDP progress report which served as a background document to the second such Summit in January 2011, which proposed a new, more equitable and inclusive development path in the Arab region, focusing on poverty and unemployment, including through greater regional economic and market integration.

These reports have highlighted the root causes and the deep drivers of development challenges in the region, but they have also outlined a vision for the fulfilment of human development through the full enjoyment of freedom as the cornerstone of good governance, access to quality education and knowledge, empowerment of women, human security, and pro-poor and employment-led inclusive growth and equity.

The Political Economy of Exclusion

The drivers of the youth-led and broad-based popular uprisings in the region are encapsulated under what can be termed a political economy of exclusion.

With some variations, the political economy that prevails in the Arab region prevents mutual accountability between citizens and the State. Political life is constructed in ways that reproduce the dominant power structure. This power structure reflects an admixture of the interlocked interests that concentrates authority in a small circle and prevents rotation of power.

The State maintains its power by directly controlling or accessing resources, be it through economic or political rents. While oil plays an important role in this equation for the major oil exporting countries, the diversified economies in the Arab region are themselves also not immune to this rentier approach, given that the State enjoys rents due largely to its control over assets and economic opportunities, including urban and agricultural land –often as monopolies; in some cases, this is supplemented by State control of and access to politically-conditioned aid, the bulk of it military and security related. The flip side of this typical set of characteristics is the low share of direct taxation in public revenues in the region. It is precisely the control over such sources of revenue which allowed the ruling elites in Tunisia and Egypt to amass huge wealth. The State engages in patronage politics, buying the allegiance of key traditional and modern power brokers through distributing part of the rent it collects to its power base.

The dominant form of the **social contract** in the region is one where the population resigns itself to lack of political freedom in exchange for provision of certain services and exemption from or low taxation. The citizens who live under this social contract have no institutional means of expressing discontent with the system: with very few exceptions, elections are neither free nor fair, voter turnout is traditionally low and those parliamentarians elected through this process have little incentive to develop a dialogue with their electors. Traditional sources of citizen participation in the political process—political parties, civil society, media, trade unions and professional associations—are either tightly regulated or banned. These conditions have resulted in a wave of social movements calling for new social contracts between the State and Citizens, often using informal means of participation—thus the recent proliferation of social media and street protests. Indeed, the virtual space of social media is proving to be a commanding medium for social and political mobilization.

The prevailing social contract within the region has come under pressure ever since the 1970s, due to increasing inability of the state to co-opt the educated youth into what used to be a relatively well paid civil service that acted as a mechanism for upward social mobility in the post War (WW II) period. In country after country since 1980, the public sector is no longer able to absorb ever increasing numbers of graduates produced by the educational system; and structural adjustment measures have resulted in a decline in both the real income of government employees and in government expenditure on social services, coupled with the increasing privatization of such services without guarantees of quantity or quality. The system of large scale subsidies offered on a range of essential goods has also become difficult to maintain, leading to bread riots in a number of countries in the 1970s and 1980s. The lack of universal social security coverage and of equitable access to property and to justice have exacerbated social and economic exclusion of wide segments of the poor and the lower middle class.

In essence, the typical social contract has allowed many Arab States to continue to follow a non-developmental path, in contrast to other successful developing economies in other regions. While it is true that the international context constrains opportunities for Arab countries to follow an export-driven path to development (with the notable exception of oil and gas), the main challenge for the Arab region is not about the choice between self-sufficiency or integration into the global market but, rather, of moving from a non-developmental to a developmental state. This frame of reference can also explain why some positive strides made in the more diversified Arab economies (notably Egypt, Syria and Tunisia) in the 1960s were not sustained as they were in the case of India and Brazil, for example.

With some notable exceptions, the State often enjoys a symbiotic relationship with external powers, whereby it promotes their interests by keeping the region's economies dependent on the sale of primary commodities and imports of all critical life-sustaining inputs (e.g. food and intermediate goods) while, in exchange, it receives tacit, even unequivocal, support for curtailment of basic freedoms and violations of human rights.

Several Arab countries have appeared stable—in terms of longevity of ruling systems/rulers—while that stability was based on orderly oppression and suppression of human rights and citizens' aspirations. Arab countries with a more open public space for political contestation have appeared less stable. It would be misleading to explain such stability or instability in a void of regional and international alliances, dependencies and inequitable development. Setting aside exogenous factors and influences, internal

instability in the Arab region is a result of development failures grounded in deficits in governance, freedoms, and social justice—particularly at their nexus with poverty, unemployment and inequality. Conversely, internal stability is achieved when these deficits are transformed into assets.

Stability that is built on patronage and oppression, as opposed to a healthy social contract between the State and citizens, reinforces the drive for quick returns on private sector investments (e.g. real estate) rather than the longer-term and job creating investments required to absorb a more educated labour force. The sense of insecurity that is created by the acute awareness of the business sector of the potentially explosive social context generated by rising inequality and unemployment further leads to capital flight or to investments in quick return markets that do not produce decent jobs. Capital flight is aggravated by the high share of ill-gotten wealth in many Arab countries, as evidenced by reports that have recently emerged about huge assets owned by former rulers in Tunisia and Egypt, most of which is held outside the country.

The above noted features of the prevailing governance structures in the Arab region have led to two mutually reinforcing processes: no public accountability of the State and ever increasing concentration of political and economic power in the hands of a few. This situation has led, in turn, to a certain outward appearance of a modern State which sustains a convoluted structure where traditional forms of authority and justice are allowed to co-exist with, and as extensions of, it.

Economic Base and its Attendant Consequences: Inequalities, Inequities, Poverty and Unemployment

With some qualitative variations, the economic structure that underpins this political system is largely based on extractive industries which generate few jobs directly, and a bloated and non-productive tertiary sector through which rents collected by the State are partially distributed to the public at large. The economies of the region are characterized by a declining productive sector, with agriculture remaining largely at the mercy of the elements and poor policies, and incapable of meeting the food needs of an ever growing population. This, while in the period since the 1970s, trade liberalization in a regime of overvalued currencies, has stymied industrialization efforts started by many Arab countries in the 1960s. The region thus remains heavily dependent on imports for the basic survival of its population and, hence, is not able to use its wealth of natural and human

resources to negotiate for a more even playing field and a greater role in the evolving international order.

Again with some notable variations in the region, the tertiary sector is composed of a government services sector, which is more concerned with repayment of certain elements of society for their allegiance to the system rather than provision of public services. The public sector is thus not merit-based and is typically heavily skewed towards various security services; it is characterized by excess capacity and high overall wage bills, while average public sector salaries are not sufficient to allow civil servants to escape poverty without recourse to corruption. It typically also includes a large trade sector which is heavily dependent on imports and characterized by a few, politically well-connected, major traders who enjoy monopoly rents and a large number of small traders who eke out a living in an overcrowded retail sector. It also includes the real estate, construction and tourism sector—much of it “upscale”—which is driven by quick profits on investments and the conspicuous consumption of the wealthiest.

No wonder that the region is characterized by huge **inequalities** that unfortunately are not reflected in Gini coefficients. This is due to the fact that the household budget surveys on which such data are calculated tend to exclude the better off and actually are consistent with a level of income sometimes half that reported by GDP figures (the is the case for Egypt for example). If one adds this missing half and assigns even a small portion of it to the uncounted rich, inequality in the Arab region is placed in the same league as the worst Latin American cases in the 1980s.

According to available evidence only one Arab country has achieved sustained growth over the period since 1960 and was able to satisfy the requirements of a classical structural economic transformation (a move from a predominantly agriculture-based economy to one based on manufacturing and services) over the period 1970-2007. The country in question is Tunisia. Another country which managed to sustain economic growth since 1970 is Egypt; however, unlike Tunisia, Egypt suffered from an incomplete manufacturing transformation in the sense that its share of the manufacturing sector declined over the period in question. Egypt’s experience is significant in view of the fact that in 1970 the share of the manufacturing sub-sector was about 22% of GDP, which could have classified it as an industrialized country; but it declined to about 17% of GDP in 2007.

In essence, the structure of Arab economies differs substantially from the structure of other developing countries and regions. Well beyond

the borders of the GCC countries, heavy sectoral weights of extractive industries lead to dependence on global oil prices. Since tertiary activities often support oil production, strong linkages between (extractive) industry and services amplify this dependence. Further, the high capital intensity of extractive industries limits the generation of high-skill and well-paid jobs. Low-skill services and informal activities then absorb the labour force, with the corresponding negative effects on aggregate productivity and living standards.

What is even more worrying—and can partly explain the wave of discontent in the region—is the fact that in countries like Egypt, against an increase in per capita GDP over the period from 2000 to 2009, per capita consumption levels (as revealed by household budget surveys) actually declined. Hence, while Egyptian government official statistics were reporting real growth rates in excess of 5 percent, according to recent UNDP and World Bank studies, the period actually witnessed extreme poverty rising from 17 percent to 22 percent. The recent AHDR and Arab Development Challenges Report also argue that the overall poverty rate in the region may reach 40 percent and has remained sluggish since 1990. **Clearly, when the large majority of the population see themselves getting poorer while the country overall is getting richer, it leads to a well founded sense of social injustice.**

The continuous rise and persistence of **unemployment, particularly among youth, in a context of demographic transition and a huge increase in the working-age population, is a key challenge facing Arab countries.** In addition to high overall unemployment (approximately 11 percent in 2009, according to the ILO), the region has one of the lowest employment-to-population ratios and the lowest labour force participation rates in the world (54% in 2009), particularly of women (25% in 2008, according to the AMDGR). Youth are the largest demographic category in the Arab region, with the population under 30 years of age exceeding 50% and, by some estimates, over 60 percent. Not surprisingly, **unemployment in Arab countries is essentially a youth-centred phenomenon, with the share of youth among the unemployed in excess of 50 per cent.**

The rising tide of unemployment amongst youth (the highest in the world and highest among women) and its long term nature have created a sense of frustration and discontent. Linked to this is inadequate protection of **human rights**, in particular the right of freedom of speech and assembly, the right to organize and to collective bargaining, leaving both the employed and unemployed without sufficient legal protection, thus highlighting the restrictions of democratic space. While the countries in the region have ratified most of the UN Human Rights instruments—indeed, most have

ratified the economic, social and cultural rights as well as the civil and political rights conventions and even adopted an Arab Charter of Human Rights—all continue to restrict the protection and enforcement of those rights through national laws (including emergency laws) and regulations.

Nothing exemplifies the exclusionary nature of the economic and power bases in the region better than the phenomenon of **informality** which manifests the vicious circle of poverty and weak social, economic and political rights. The vast majority of the poor in the Arab States region live in the informal sector with limited secured access to land and other resources. They run unregistered businesses, and often occupy land to which they have no formal rights. Informality in the region has increased since the 1970s. For example, in Egypt the number of informal workers has risen from 2.4 million in 1976 to one third of the Egyptian labour force (Legal Empowerment of the Poor (LEP) commission consultations). In Jordan, also according to unofficial studies, 25% of the workforce is informal. According to UNDP HDR, in Algeria, Egypt, Morocco and Tunisia, the informal sector constitutes between 40 and 50% of non-agricultural employment. The Egypt national consultation on labour rights (Commission on LEP) found that 23% of poor workers in urban areas and 42% in rural areas worked outside formal establishments; indeed 82% of small and micro enterprises in Egypt are considered informal. Poverty among these informal workers was considered much higher than the national average. Hence the relationship between poverty and informality requires particular attention to addressing informality as a means to legally empower the poor in these countries. Property rights are equally affected. In Egypt alone, a study found that the value of informal housing units may be as high as \$ 240 billion (LEP consultations).

The very **legitimacy of the state** is undermined by these millions of people who are excluded from legal protection, legal identity and channels of representation. Hence the relationship between informality, poverty, economic, legal, social and political exclusion uncovers the exclusionary dynamics of the power and wealth base. The necessary constitutional guarantees and requisites for access to justice exist in some, though not all, constitutions of the region, but they are not always reflected in legislation. Even where good legislation exists, it is usually not enforced or where sanctions are imposed they are inadequate and monitoring and accountability mechanisms are insufficient. Thus, the discrepancy between the protection that is granted de jure by Arab States and the actual delivery of that legal protection: the rights that can be claimed de facto, through, inter alia, effective legal processes and an accessible, fair and independent justice system, is one that needs to be redressed.

Governance failures that prevent the formation of genuine labour unions and other civic and professional associations, facilitate and reinforce the appropriation and concentration of wealth. Such entities as do exist are typically infiltrated by the political elite/dominant political party and turned into tools of oppression rather than part of a larger civil society that holds authorities to account. Elements calling for genuine change within those associations are typically fighting on two fronts: against the incumbent political regime and against colleagues within their own ranks. Without raising the stakes in the face of the regime, such modes of contestation are less effective and threaten to keep grievances unresolved, thus solidifying social exclusion and allowing grievances to fester. Civil society activist groups—where the social media/networking has taken root among the educated youth—proved to be more effective, as witnessed in Egypt and Tunisia, by irreversibly breaking through the wall of repression and fear.

The recent events emphasize the importance of democratic governance, as both a means to other development goals and as an essential end in itself. The call for transformational change in the Arab States region—Tunisia and Egypt in particular - was not triggered by external pressures for democracy, it is a popular cry for choice, participation, transparency, respect for people's legitimate quest for a democratic space and for human and national dignity. The events confirm the need for a critical review of the role of the State which would render it more responsive to needs of citizens and expand their choices and opportunities for being masters of their destinies. State institutions can play a key role in increasing the choices and opportunities available to the people to live in dignity.

Most Arab countries do not lack official commitment to address the problems. Recently, at the Arab Economic and Social Development Summit, Arab leaders agreed to activate policies and programmes to reduce poverty, unemployment and social inequality, empower youth and women, increase the role of civil society and pursue regional market integration. What remains is the resolve to follow through and act upon commitments.

Champions of Change

The lead role taken by youth in the Arab region to reclaim their human dignity and, by doing so, uncover an eroding legitimacy of many incumbent political elites can be understood, given the challenges that are faced by the current generation of youth, restricted as much by the dearth of opportunities for upward social mobility and decent work as by the

assaults on human dignity and the deficits in freedoms. As the main users of new technologies (mobiles and social media outlets such as Facebook and Twitter), they have managed to galvanize the broadest swathe of the population, from all walks of life, in a loose coalition of diverse groups who are united by a common concern with reclaiming human and national dignity and social justice in the face of adverse economic conditions and rampant political corruption, and they are demonstrating resilience in the face of many provocations and, sometimes, brutal suppression, breaking through the wall of fear. The wide presence of women in the contestation movement is testimony to the movement's inclusive nature and role in breaking down gender barriers, as well as class, income and other social barriers.

The youth of the region confront a long list of "spoilers": ruling party beneficiaries (and, in Egyptian parlance, "baltageyya"—meaning thugs) who accumulated their wealth using party power networks; military and security machineries that have used state-controlled business enterprises, state-owned land and senior political office (e.g. governors and heads of statistics offices) to amass personal wealth, while wielding the instruments of force against their fellow citizens; opposition party elites whose resolve has been weakened by years of co-optation and imprisonment; professional associations and labour unions that are internally polarized; TV, Radio and print media whose professionalism is saddled by State-imposed and self-censorship, and whose influence is co-opted by the ruling power elites.

The spoilers use the argument of stability. Without the incumbent regimes, they say, economies crumble and investors run away. Arab youth have uncovered the reality: under political economies of rent and impunity, stability is synonymous with the defence of usurped privilege and reproduction of the status quo. The spoilers also use the argument of constitutionality and rule of law (including the over-riding "emergency laws"), Arab youth have responded by reminding that constitutions and laws which intrinsically violate civil, political, social and economic rights—both in spirit and in practice—are inherently deficient and unworthy of their aspirations. The spoilers who use the spectre of an ascendant political Islam to argue that the choice is between the status quo or descending into chaos, exaggerate the political strength of religious-based movements and opposition parties which they themselves variously co-opt, contain and even with which they occasionally ally.

It must be acknowledged that some Western countries, and some by their own admission, have themselves had difficulty in balancing the tension between two espoused imperatives—on the one hand, consistent adherence

to the universal declaration of human rights and democratic principles, and, on the other, national and global security and/or vested geopolitical, geo-strategic and economic interests. They are also concerned about the potential for economic and constitutional chaos or Islamic ascendance to power and risk not understanding the motivations of the champions of change, who have proven themselves to be fighting for genuine and authentic freedoms, social justice, and for human and national dignity.

Why Now? Tunisia and Egypt

The timing of the protests in Tunisia and Egypt relate to a mixture of economic and political contextual situations. On the economic front, the global economic crisis that started in 2008 combined with stubbornly high food prices that show no sign of declining to their pre-2006 historical levels, squeeze the large masses of poor people in Egypt both on the income and expenditure sides.

In Tunisia, the high degree of dependence of the economy on Europe has led to a substantial decline in exports, hence reducing employment opportunities in an otherwise vibrant manufacturing sector. The decline in economic activity has been combined with reports of increasingly more voracious impositions on the nascent private sector, thus further discouraging investment and job creation. Opportunities for Tunisian youth to migrate to Europe have also been reduced since 2008 due to rising levels of unemployment on the continent.

The political factors appear more instrumental in the case of Egypt, with 2011 seen as the deciding year for passage of power along dynastic lines. The parliamentary elections held in November 2010, which led to the complete removal of the Muslim Brotherhood from the National Assembly and only left a token opposition representation, were largely ignored by the Egyptian people.

There is also increasing unease amongst Egyptians at large with the loss of national dignity and influence on issues such as the Nile Basin, Sudan and Gaza, and what is seen as misuse of Egypt's perceived political clout in the region and globally. Noteworthy was public outrage at the revelation of a few of the secret agreements and deals, one of which came to light in the context of the rising fuel price crisis when Egyptians discovered, for the first time, that Egypt had agreed in 2005 to sell —natural gas to Israel at below market prices—currently at one-third, with all that this implies in massive loss of revenue which, at least theoretically, could have been channelled to poverty-reducing and job creating productive investments.

Overlaying complexities in the region

Co-existing with the ongoing narrative of youth-led transformative change is the turbulent modern history of a region which is the arena of some of the most complex and long-standing conflicts in the world, prime among them is the still unresolved Arab-Israeli conflict and the continued military occupation imposed on the Palestinian people, including through the ongoing siege of Gaza. More than any other conflict, this one has etched itself in the consciousness of the Arab peoples as a historical injustice against the Palestinian people who suffered displacement and dispossession. It has also etched itself as the epitome of unequal application and un-enforcement of international human rights and humanitarian law, including the right of the Palestinians to national self-determination. Paradoxically, the last round of elections in the Occupied Palestinian Territory was deemed by international election observers to be “free and fair,” but the results of these elections were not recognized by the international community; moreover, MDG and HD indicators for the Palestinians have actually regressed.

The Arab region is both host to, and the source of, the largest number of conflict-induced refugees in the world. State failure in Somalia and the protracted conflicts in Sudan have led to massive displacement, deprivation and starvation among ordinary people and to systematic human rights violations. The 2003 war on, and occupation of, Iraq, which resulted in the death of one million Iraqis—90% of them men— and the displacement of 4.8 million Iraqis, has also had a direct impact on neighbouring countries, particularly Jordan and Syria. The devastating Israeli wars on Lebanon in 2006 and on Gaza in 2008 fuel public anger and frustration.

A complex range of social, economic, political and geo-political factors contribute to these conflicts. In turn the conflicts further exacerbate socio-political conditions resulting in a protracted spiral of tension and insecurity.

The problems of governance and legitimacy outlined above have accumulated and resulted in open conflict in some cases. Where authoritarian rule remains strong and the political space is closed, these forces remain under the surface, pointing to a general fragility that could produce unexpected and severe flashes of conflict. Legal restrictions placed on civil society organizations have stymied political openness and democracy, while ethnic, sectarian and tribal loyalties have united groups to lobby for inclusion, separation or rights. As seen in countries like Iraq, Sudan, Lebanon and Somalia, this mobilization can be destructive to security and the territorial integrity of states. It has also been one of the largest causes of human casualties in conflicts in the region.

Some Insights Guiding UNDP's Response Strategy

- The current crisis in the Arab region has its roots in development failures.
- All the countries in the region will be affected directly or indirectly, deeply or marginally, by the tidal wave of popular demands for transformative change anchored in human and national dignity, though the pace, dynamics, entry points for change, and outcomes will necessarily vary by country.
- There is a symbiotic relationship between poverty/unemployment and poor governance, with one leading to, reinforcing and perpetuating the other. In some of the Arab countries, particularly in the GCC countries, a focus on economic diversification and youth employment provides the key to better governance, including sector and local governance.
- Youth are embraced as a positive force for transformative change and a development framework of inclusive growth with job creation and economic diversification is an increasingly recognized imperative by all Arab countries for both sustainable socio-economic development and social peace and stability.
- The determinants of “stability” and “national ownership” require a fresh look; the first can no longer be approached through a “security” lens; the latter can no longer ignore issues of legitimacy; and both must address issues of accountability, transparency, and human rights principles.
- Political corruption de-legitimizes the State and, by extension, leads to leakages of public resources and sub-optimal development outcomes; combined with economic and social exclusion; it undergirds unequal access to, and the low quality of, public services as well as the low rates of productive investment by both the State and the private sector.
- Peaceful transitions which entail a real rupture with the status quo cannot be facilitated through technical fixes; they require the promotion of inclusive processes which ensure that democratic space remains open and that democratic transformation is not reversed by crisis, conflict or counter-measures. UNDP is committed to supporting the stability of the transition and will integrate, as part of a broader strategy, conflict prevention and conflict sensitive components.
- Sustaining the momentum of transition towards real and positive transformative change that is responsive to people's aspirations for human dignity requires well-considered sequencing of transformative efforts and not a rush to be “first” or to do everything at once and in a rush. For development support to translate into visible dividends for the population, establishing the linkages between up-stream policy and advisory support, and down-stream results is critical.

- When women participate in politics, there are benefits for women, men, children, communities and nations. UNDP strives to ensure that women have a real voice in all governance institutions and transition mechanisms so that women can participate equally with men in public dialogue and decision-making.
- Some of the cross-border repercussions (as witnessed in Libya) will necessarily be of an emergency humanitarian nature, whether stemming from the responsibility to protect civilians and/or as a result of supply shortages of basic goods and services, conflict-induced population displacements within Libya and across its borders with Egypt and Tunisia, and/or the responsibility to protect civilians. It is critically important that the emergency response preserve the Libyan people's aspirations, as well as take into account the transition contexts of the neighbouring Arab countries.

Bringing some of UNDP's strengths to bear more fully in the Arab region

- UNDP is an organisation advocating for change and connecting countries to knowledge, experience and resources to help people build a better life.
- UNDP helps countries across the Arab region to build and share their own solutions to development challenges within UNDP's four main focus areas: Poverty Reduction, Inclusive Growth and Achievement of the Millennium Development Goals; Democratic Governance; Crisis Prevention and Recovery; and Environment and Sustainable Development; and, within these areas, the empowerment of women.
- UNDP has extensive experience and capacities globally and in the region. It has unrivalled expertise in addressing longer term development issues as well as crisis response. While the transition in the Arab region is unprecedented, UNDP has accumulated expertise from assisting democratic and pro-poor transitions across the globe, which will be put at the disposal of the peoples of the region to ensure an inclusive and peaceful socio-economic and political transition.
- UNDP is the leader on Governance in the UN Development System; indeed, it placed Governance on the international development agenda. In the Arab region, and given the new opportunities in the overall operating environment, its actions must now be aligned more closely with the principles it champions through its Governance Practice and with the principles enshrined in the UN Charter.
- UNDP is committed to supporting national ownership of development policies and activities through engagement with all national actors,

broadening and diversifying the national partnership base to more systematically include, in addition to government, CSOs, the media, unions, professional associations, and political parties.

- The global HDRs have shown that despite strong performance on HDI (as in some Arab countries), inequalities and governance deficits can undermine real and sustainable human development and dignity.
- In the Arab region, the AHDRs placed four deficits on the international agenda: Freedom, Knowledge, Women's empowerment, and Human Security. The Development Challenges report underscore the issues of poverty, unemployment, food insecurity, inequalities and the important role of the State in creating public and fiscal space to address these challenges. There is an opportunity to take forward the development agenda emanating from these reports, taking into account the changing circumstances and current trends on the ground.
- UNDP has established a close partnership with the League of Arab States, particularly in three of its Practice areas: Poverty, Environment/Climate Change, and Crisis Prevention and Recovery, and on important themes, including youth and women. It is currently initiating consultations on building Arab capacities in electoral support and in tailoring governance indicators to national and regional specificities. Importantly, the joint LAS-UNDP Development Challenges report was endorsed by Arab Heads of State and Government in their first Economic, Social and Development Summit in Kuwait in 2009.
- UNDP leads the UN Development Group at global and regional levels. The Regional undg for Arab States/MENA has set the right strategic agenda, prioritizing Arab youth as agents of positive transformative change; unemployment (particularly among youth and women) linked to the decent work agenda; the nexus of food security and climate change; and re-positioning the UN in Middle Income Countries, to ensure its continued relevance and value-added, where governance issues (including sector and local governance) and socio-economic disparities and inequalities are germane. These strategic priorities will be reviewed again in light of the political events, to ensure that the right perspective is highlighted and that the root causes of development deficits are properly addressed by the R/UNDG.
- As each of the R/UNDG member agencies in the Arab States region are formulating agency-specific regional strategies, a follow up step will be to combine the key elements of these respective strategies into a common one for the R/UNDG for Arab States/MENA region.

Factors to Consider in Positioning UNDP in the Arab Region

Positioning UNDP effectively in the context of the current transformational processes is not only a programming imperative; it is also essential for rebuilding the UN's credibility and moral authority in the region; it is also important for enhancing the safety and security of our staff. It should be recalled that in the past decade the UN has been specifically targeted for major attacks three times in the region—the Canal Hotel 2003, Algiers 2007, and Hargeisa 2007.

There is deep dissatisfaction in the region with the Quartet and the perception of unequal treatment by the Security Council. In the eyes of the people of the region it is difficult to make a distinction between the role of the Security Council and the wider UN.

The transformations engulfing the region present also for the UN a critical juncture where the nature and perception of our engagement could be radically improved. To achieve this it is essential that the UN response be led by the UNCTs in the region, building on UNDP's human development paradigm.

As recent events represent a systemic change in the developmental profile of the Arab States, UNDP's approach in support of governance reform is being/must be extended beyond institutional strengthening to working within society to foster inclusive political and economic participation, rebuild resilient state-society relations and prevent conflict.

Fifteen of the countries in the region are at various stages of their new 5-year strategic planning and programming cycles. This represents an opportunity for UNDP, working with its national partners and UNCT, to shape and adapt them to current transformational processes and ensure their relevance to, and value-added in this context.

In addition to the substantial Governance programmes of Country Offices in the region, UNDP also has global and regional ongoing initiatives working on political process reform in the Arab region to support inclusive participation and nascent efforts to promote political dialogue between the state and its citizens, which include the following:

- BDP operates a **Global Programme on Electoral Cycle Support** (GPECS) that works globally but includes a focus on the Arab Region. Through GPECS, UNDP will contribute to the credibility of electoral processes and their effectiveness as processes of inclusive participation and

accountability. UNDP will work with other partners to enhance the professionalism of electoral management bodies, increase awareness and capacity of all stakeholders that participate in all phases of an electoral cycle and share comparative knowledge on peaceful, fair and free elections.

- Through POGAR, there has been a long-standing regional project to support parliamentary and political reform (**Parliamentary Development Initiative in the Arab Region**). This is now being complemented by a BDP and BCPR joint project that has been operating since early 2010 and is focused on the role of parliaments in preventing and resolving conflict; this joint project has recently expanded to include engagement with political parties. The project is managed jointly through BCPR's Governance Unit and DGG's Global Programme for Parliamentary Support (GPPS).
- A **regional project on Anti-Corruption** was developed and is entering its second phase of implementation. It strives to build on the established regional network of anti corruption organizations, with a focus on sector level corruption, the professionalism of prevention, investigation and enforcement as well as the protection of whistle blowers.
- UNDP has a **Global Programme on Strengthening the Rule of Law in Conflict and Post-Conflict Situations** that focuses on building national capacities to respond to the immediate needs related to security, justice and impunity, while also laying a foundation for capacity development of rule of law institutions in the medium and longer terms. The programme has provided technical and financial support to several countries in the Arab region, including Iraq and the Occupied Palestinian territory, in the areas of legislative and judicial reform, access to justice, family protection, and security sector reform.
- In addition, UNDP has a **Global Human Rights Strengthening Programme** which develops and tests guidelines, identifies best practices, strengthens UNDP capacities to mainstream human rights in all its activities, including the capacity of national partners; it supports strategic global, regional and country-level programming and South-South cooperation.

UNDP also launched, in early 2010, three regional initiatives to enhance responsiveness of state institutions to social and economic rights.

- The regional consultations on **legal empowerment of the poor** focus on enhancing the capacity of the legal profession and of civil society to collectively advocate for and protect the social and economic rights

of those working in non-organized sectors, i.e. the informal sectors of Arab economies which reportedly create most jobs and absorb most of the unemployed and underemployed.

- UNDP has provided reflection notes and convened a regional workshop on **local governance in conflict contexts**, underlining the importance of relationships and processes of trust and accountability as well as equitable delivery of social services at the local level. In this context meaningful participation by communities and strengthened local accountability mechanisms, alongside capacity building of local authorities, are emphasized.
- UNDP has also focused on **equitable service delivery to women** by promoting awareness of gender sensitive measurement tools for service delivery.

With its extensive range of partners in the region as well as global leadership on governance issues UNDP is ideally placed to broker the support needed by the peoples of the region to navigate the complex transition process to democratic governance and inclusive economic vibrancy. While the transition in the Arab region is unprecedented, UNDP has accumulated expertise from assisting pro-poor and democratic transitions across the globe, which will be put at the disposal of the peoples of the region to ensure an inclusive and peaceful transition.

Strategy

UNDP has been instrumental in articulating the development deficits facing the Arab States region. While the pace of transformation in the Arab region is unprecedented, UNDP has accumulated expertise from assisting pro-poor and democratic transitions across the globe, which will be put at the disposal of the peoples of the region to help ensure an inclusive and peaceful transition. UNDP also has extensive experience with conflict prevention and recovery.

Given the current challenges and changes in the region, UNDP needs to expand its support to political process reform and extend beyond institutional strengthening to working within society to foster inclusive politics, rebuilding responsive institutions and resilient state-society relations.

UNDP will harness its regional expertise on poverty, governance, environment, gender, capacity development and knowledge management

to provide its national partners with integrated advice that is sensitive to the region's political economy and root causes of internally and externally driven conflict. That is the only way the region will be able to effectively address the intertwined nature of democratic governance and equitable development.

UNDP will work with existing capacities, whilst identifying and sourcing additional programmatic and operational capacities as required, by:

1. Reorienting its established and new country programmes to support democratic reforms and inclusive growth, especially at their nexus;
2. Deepening its ongoing initiatives to support inclusive political participation and dialogue between the state and its citizens;
3. Developing new programmatic lines by bridging the gap between solid analysis and programmatic action;
4. Stepping up and tailoring its conflict prevention and recovery support to the specific country contexts in the region;
5. Bridging the gap between solid diagnostics, analysis, reflection, on the one hand, and programmatic action, on the other;
6. Supporting bold Country Office leadership, able to seize opportunities;
7. Facilitating UNDP's agility for urgent and time sensitive interventions.
8. Adopting a "business unusual" approach to rise up to the level of transformation and social change; this would also include focusing on strategic core responses rather than interventions which might be marginal or lack value-added under the changed and changing overall operating environments in the region.

Immediate Response

1. Provision of SURGE Capacity to Support Country Office Operations

SURGE capacity has been deployed to the Tunisia CO in the areas of governance, revitalization of the economy, local area development and communications. Similarly, SURGE capacity is being deployed to the Egypt CO to strengthen strategic planning and the adaptation or reorientation of both relevant ongoing programmes and the new planned programmes in response to the changed and changing realities on the ground. Senior Gender expertise is also required in order to ensure that the gains already

made in gender equality and women's empowerment in both Tunisia and Egypt, as elsewhere, are not reversed nor curtailed; indeed, to ensure that they continue to advance.

Similar types of SURGE support will be needed in the other countries in the region which are or will be experiencing various forms of pressure and popular demand for transformation. This would include senior level strategic analysis and visioning capacities to enable UNDP to seize the opportunities to make good on its governance mandate on core strategic response beyond capacity strengthening, as well as to accelerate opportunities for job creation—particularly among youth—, poverty reduction and inclusive economic growth. Given the high calibre of national expertise available in many countries of the region, it is important the SURGE capacity be sourced from within the countries undergoing change processes or from the region, in order to undergird the “home-grown” nature of the contestation process for human and national dignity.

Recognising that many of the RBAS Country Offices have excellent national programme and project staff capacities and solid and relevant programmes, there is a need to review Country Office capacity with a view to maximizing cross-practice advisory and program management expertise to effectively address the interlinked challenges of governance and poverty reduction, economic development and inclusive growth. This includes, where needed, the creation of senior level **national** advisory positions of a permanent or temporary/SURGE nature; it should also include the establishment of a core team of macro and development economists, some with sector-specific expertise, to be deployed at sub-regional levels but attached to the RBAS Regional Centre in Cairo.

2. Advisory. Policy & Technical Support to transformation processes

Within the complex environments that are emerging, UNDP should support strategic capacities for leadership and collaboration in areas such as national dialogue, the building of viable, multi-actor consensus on critical reforms, and the development of integrated frameworks that address the multifaceted nature of transformations by synergizing interventions and avoiding sectoral fragmentation. This may include timely high level missions from HQ and RCC to initially engage with all key national actors and assist in the specification of the broad outlines of possible support (this is currently the approach adopted for support in Tunisia). Transitional plans

with UNCT and national stakeholders will then be drawn up on an urgent basis.

Follow up direct support may include provision of high level advisers (preferably from within the country when high calibre national expertise exists or at least from the region) to transitional authorities to assist in managing the transition to democratic governance (e.g. support to national commissions on political reform etc.). The focus needs to be on fostering transformational momentum, ensuring orderly transition and inclusion through support to governments of national unity (where these are formed), participative processes, including with respect to constitutional and legal reforms, capacity building for conflict resolution and negotiation, accountable security and armed forces, fair, free and credible elections, effective parliaments, accessible and independent justice system, and responsive and accountable national and local governments.

UNDP will also likely need to provide immediate assistance to transition governments on aid coordination—co-ordination of assistance and ensuring it supports the transition needs as identified by a broad cross-section of national stakeholders in accordance and adherence with the Paris Declaration.

Political parties, the media, and civil society organizations will require structural and/or sector reform and capacity development as well as technical support, given the constraints on their activities after several decades of repression. Assistance to amending constitutions or, as appropriate, supporting national participatory processes for constitution-making and reform to ensure the creation of an enabling environment building on comparative experiences, is likely to be needed.

3. Coordination at Global and Regional Level on Joint UN Response with Partners

If deemed appropriate UNDP should lead a policy discussion with partners, where experts can define in more detail a substantive agenda for addressing the emerging challenges in the region. The engagement, and leadership whenever possible, of UNDP in such policy discussions with partners is pivotal in order to underline the importance of the developmental agenda over the security concerns of those who may be weary of current transformation processes on grounds of geo-strategic interests.

4. Supporting Inclusive Political Processes

UNDP COs in the region are undertaking a review of their democratic governance and related portfolios to explore possibilities of expansion, reorientation, consolidation in support of the transformation processes currently underway in the region. See annex 2 for an example of the review of the Egypt CO democratic governance portfolio

- **Electoral Support and National Dialogue**

If requested, assistance in the organization of timely, free and fair elections will be undertaken to ensure that the voice of the people is truly heard. Tunisia has requested electoral assistance from the UN/UNDP. Based upon assessment of risks, UNDP will support the various components and stakeholders of the electoral process. Capacity development of Electoral Management Boards will likely be the first priority to ensure the legitimacy of elections. BDP operates a Global Programme on Electoral Cycle support that works globally but includes a focus on the Arab region.

Another immediate area of possible UNDP support, pending government request, is fostering an inclusive national dialogue on the transition process, constitutional, electoral and reconciliation processes. Transition processes and remaking of constitutional frameworks and social contracts are the moment where fundamental human rights need most support and protection. UNDP is ready to engage with inclusive political party platforms to foster discussion on socio-economic policies in support of new social contracts and to facilitate national dialogue on the respect, protection and fulfilment of fundamental rights, aligning national legal frameworks and implementation arrangements to international and regional commitments to universal economic, social, cultural, civic and political rights.

UNDP, in cooperation with OHCHR, has been supporting human rights national machineries and civil society in this regard. Both the BDP Global Human Rights and Access to Justice Programmes have been supporting regional and country-level activities in the Arab region. In an effort to increase regional capacity to conduct credible elections and strengthen electoral stakeholders (e.g. political parties, civil society, media, human rights institutes etc.), the BDP GPECS program will strive to expand the pool of Arab speaking trainers, facilitators and managers of electoral assistance packages. UNDP support for relevant South-South exchange of experience in the context of national dialogue and electoral support, including voter education, will be critical components of its programmatic response.

• **Justice and Security Sector Reform**

Security sector reform is critical to ensure that the population feels safe and secure, and is a pillar needed for the success of other interventions, i.e. economic recovery. Very often, security institutions, i.e. police, are part of the problem. This was seen clearly in Tunisia and Egypt. Security sector reform—including deep structural and institutional reform—is needed to regain credibility and trust. In unstable environments, the need for effective justice and security institutions is clear; however, for peace to be sustainable, those institutions need to be accountable and transparent, as well as effective. UNDP needs to focus on supporting national capacity development including through assessments, programming, strategic planning, legislative reform, supporting inclusive dialogue on reform of this sector, and civilian management and oversight of security institutions, strengthening access to justice and democratic governance of security institutions, thereby providing the basis for requisite long-term commitment by the United Nations. In any restructuring of the security apparatus, particularly where it involves a reduction in the number of security personnel, there is a critical need to be mindful of creating alternative employment opportunities and integrating discharged personnel into civilian life. Justice sector reform is must be pursued alongside security sector reforms, particularly for seeking redress for claims and for legal protections.

5. Advocating for Inclusive Growth and job creation, especially for Youth

Restoring and revitalizing the economy must be a prime and immediate concern because nothing will undermine democracy more than economic inequity, especially in a region where youth represent the largest demographic group and account for the highest rates of unemployment in the world, including for women. UNDP is strengthening Country Office capacities for providing high quality policy advisory services in the area of pro-poor and employment-led macro-economic policies, based on successful experiences in a number of regions, including the Arab States. The innovation that has to be introduced in the early phase of transition is further deepening of the participatory process and ensuring active involvement of civil society actors and media in the exercise, thus facilitating an informed discussion of major policy choices on expanding fiscal space and the use of public assets as part of the democratic transition process.

One expected result in the medium and longer term is a greater focus on strengthening and expanding the productive sectors of the economy—particularly agriculture and industry; expanding SME's, which generate the highest number of jobs per unit of investment; as well as a greater focus on expanding scientific research and technological innovations, including in connection with promoting climate resilient growth. UNDP is finalizing the second *Development Challenges* report, which addresses the nexus of issues along the interface of governance, poverty/inequality, employment, climate change, gender and youth towards a new Arab Social Contract. A regional experts meeting will be convened to review the final draft and to stimulate public debate.

In view of the importance of regional **disparities** as one of the major underlying development failures that characterize the region, in the transition phase to more inclusive development, added attention to regional/local economic development is needed. UNDP has a wealth of experience in analytical work on sub-national development, including sub-national HDIs and for some countries, sub-national level HDRs, supporting sub-national planning processes, and localization of MDGs which can be drawn upon and applied in the Arab region. The environment-poverty nexus would also have to be dealt with in this context. Some of the countries in the region have elaborated such studies and these provide a good basis for advocacy and implementation.

The 2010 National Human Development Report for Egypt was on Youth and many of its findings and recommendations could be used to identify “quick win” programme interventions. The R/UNDG has developed a Strategic Action Plan on Youth for the Arab region, components of which can be implemented immediately and on an accelerated basis, including for advocacy.

6. Women's empowerment and Gender Equality— Safeguarding Gains while promoting further advances

In Egypt and Tunisia, as well as in Morocco, Bahrain, Yemen and elsewhere, we saw women demonstrating with men for transformative change. Transition processes provide an important opportunity to address pervasive gender inequalities and yet, if not seized, there is the risk of a backslide on progress already made. If we look to historical experience, we know that the ideological polarization which political competition will bring in countries such as Egypt and Tunisia as elsewhere— will likely bring women and their roles central to the debate. Hence, it is vital for those

women to have a voice in such processes and to safeguard the gains they have fought for and already acquired; we need to seize this opportunity to quickly support their organization. Tunisian women are already drawing up a Women's Manifesto; and Egyptian women are also mobilising to do the same. Drawing upon the 8 Point Agenda UNDP will work to support participation of women in the process of transformation and in institutions of political governance, including constitutional reform. Collaboration with UN Women, including in the context of the R/UNDG, is essential. Such collaboration is currently ongoing to organize a South-South roundtable to share experiences on Women in Transition Contexts, focused primarily on how advances were safeguarded.

Short to Medium-term Response—Towards a New Social Contract

1. Broadening Democratic Space and Promoting Equitable Development

UNDP's approach is to foster inclusive national ownership and participation in the transition process, enhance the openness and responsiveness of institutions, and facilitate a healthy and pro poor nexus of governance and development. Its emphasis must be on initiatives that can help to nurture and broaden the democratic space and bring about equitable and sustainable development. UNDP will promote fora where inclusive and informed debates about policy choices can be held and step up its efforts to reach out to and build the capacity of civil society actors to engage with the state in analyzing socio-economic and political development, and supporting the democratic transition. That will also require UNDP's policy advocacy for an enabling environment and level playing field for freedom of expression and organization as well as freedom of information.

• **Youth Inclusion in Socio-economic and Political Development**

During recent events, youth in the Arab region have proven to be more than a “bulge” and a problem of unemployment; they are a force for positive social transformation. Whilst many remain directly affiliated with partisan divisions, a growing number apparently do not and have proven capable of delivering constructive messages which are able to resonate both with the public and with the Government. The R/UNDG Strategic Action Plan on Youth will be revisited to further contextualize it within the context

of transformative change in order to shape country-level programmes. In addition, those Country Offices which have ongoing youth programmes will be supported to expand these programmes through cross-practice inter-linkages among the various programme pillars: poverty/MDGs/inclusive growth; governance, environment and energy, and CPR, with the cross-cutting lens of gender, capacity development and knowledge management. National public service volunteer schemes can be supported, ranging from restoration of environmental assets, basic social services and participation in “shadow” governments at national and sub-national levels.

UNDP can provide support to policy and regulatory reforms related to **SME's** both in rural and urban areas which, in the Arab countries, is the largest source of employment and job creation, although largely in the informal sector, and help to enable youth to access the SME fund established in connection with the first Arab Summit on economic and social development in 2009, which is now capitalized at approximately USD 1.4 billion, as announced in the second such Summit in January 2011. Support can also be provided for youth apprenticeships in private sector enterprises, funded jointly by the State and the private business; entrepreneurship training and job matching services/clearing houses, as well as expansion of basic public infrastructure. Innovative programmes can be supported—for example, provision of State subsidies to the cost of social security contributions for new youth employees, distribution of small parcels of public land to youth to be used for activities such as eco-tourism and agriculture, ICT services and affordable housing. The education system also needs reform to promote critical, problem-solving behaviour, thus equipping the youth to take advantage of opportunities that a more accountable economic system can create.

- **Women's Empowerment and Gender Equality**

UNDP will support the implementation at country level of the RBAS gender strategy and programme focusing on women's economic empowerment and natural resource management underpinned by capacity development. It will also build on the immediate transition support interventions outlined above related to political empowerment initiatives already set in motion in Tunisia and Egypt.

- **Media Sector Reform**

Given the importance of the media to good governance, UNDP will support media sector reform in the areas of the legislative and regulatory

environment, including those pertaining to syndicates and ownership; as well as through capacity development and training to foster and maintain professionalism. This would also include developing a cadre of media professionals who can animate informed public debates on key development challenges facing the transition process. UNDP in the region will seek to benefit from lessons learnt on communication for empowerment, especially to sustain the momentum for “bottom-up” communication that brings the voices of the marginalized and vulnerable into local and national public policy making domains, as well as enables the media to effectively fulfil one of its key roles as public accountability watchdog.

2. Resilient State-Society relations

In view of the foundational role of developmental failures in triggering popular uprisings in the Arab region, the resilience of countries in the region to socio-economic shocks has to be built by initiating work in the early phases of the transition process on re-establishing livelihoods and rebuilding social cohesion. To this end, the extent of vulnerabilities to economic and environmental shocks should be understood and practical measures initiated to reduce them, including by rebuilding eroded coping mechanisms. The erosion of the development role of the State in the Arab region since the 1970s has undermined the ability of the State to build up national resilience to shocks. It has also led to the adoption of a distorted free market system which has increased inequalities and undermined traditional coping capacities. The following additional specific measures are needed to support the process for making Arab societies more resilient to shocks and States more development-oriented:

- **Re-thinking the role of the State**

The State’s functions need to underpin national development processes and to embrace development equity and inclusiveness. The democratic space created in the region can be used to animate or facilitate discussions about the appropriate role of the State and, in particular, its role in mediating conflicting interests. UNDP is particularly well-placed to facilitate this process in view of the body of codified knowledge that exists on the behaviour of a developmental state and our ability to access expertise from countries where such transitions have taken place. This is inherently cross-practice exercise, encompassing governance and poverty practices, in particular, but even broader than that.

- **Building National and Local Capacities for the Inclusive Management of Change**

Political discourse in the region has been conducted largely through street protests and social networking on the one hand, and security responses and emergency laws on the other. In order to deal collaboratively with the many changes in the region, a systematic effort will have to be made to establish the forums and instruments through which the government and all actors can engage in meaningful dialogue, and mutual tensions and differences addressed through systematic negotiation. For all the above, UNDP has access to experiences from around the world and lessons of great value for the Arab States region (see annex 1)

- **Electoral and Parliamentary Support**

BDP operates a Global Programme on Electoral Cycle support that includes a focus on the Arab region. It will strive to expand the pool of Arabic-speaking trainers, facilitators and managers of electoral assistance packages. UNDP support for relevant South-South exchange of experience and to voter education and mobilisation, including dissemination of knowledge products, are critical components of electoral support packages.

UNDP will seek to refocus the RBAS Country Office and regional programme initiatives on parliamentary strengthening to support the ongoing transition. Support to the Tunisia, Egypt and Iraq Country Offices, as well as the regional programme activities will need to be oriented to transition processes and reinforce the representative, legislative and oversight capacities of parliaments. In order to ensure a sustainable transition, support to elected bodies must not be forgotten in the medium-term.

- **Justice and Security Sector Reform**

For stabilizing the transition and for social peace to be sustainable, security sector institutions need to be accountable and transparent, as well as effective and respectful of internationally recognized human rights. UNDP needs to focus on supporting national capacity development including through assessments, programming, strategic planning, legislative reform and democratic governance of security institutions. Robust and job creating economic growth and opportunities in the post crisis phase is critical for creating the necessary conditions for reinsertion of ex-security personnel into productive life.

- **Legal Empowerment of the Poor**

Helping to redress social and economic exclusion in order to help foster rights-based development and, thus, strengthen both the legitimacy of the state and the resilience of a new type of social contract, UNDP will continue the work it initiated in the region on the legal empowerment of the poor. With a focus on the informal sector, among its main components are enhancing a better understanding of the dynamics and instruments of social and economic exclusion and, based on the evidence as well as on South-South exchange of experiences with giving voice and enhancing representation mechanisms, develop policy options on how social and economic rights can be promoted and protected at policy and legislative levels (in cooperation with the ILO and with national institutions).

3. Facilitating Emergence of Responsive and Accountable Institutions

- **Integrity and anti-corruption**

Corruption undergirds the low quality of public services, constitutes a substantial loss of national resources for sustainable development and represents a mechanism of exclusion. When combined with political and legal impunity, corruption serves to de-legitimize the State. A clear distinction is needed between petty corruption such as low level public servants demanding a bribe for public services, which can be tackled through assistance to Courts of Auditors and grand corruption, where the hijacking of major elements of the economy and the misappropriation or expropriation of natural and economic resources of a country, might rather require support to the effective functioning of anti-corruption/ embezzlement commissions (in collaboration with UNODC). Strengthening investigative journalism capacities and freedom of information laws are also essential. UNDP RBAS will scale up its regional project on anti-corruption. Tunisia has already requested UNDP support to the three commissions it has established on various dimensions of political reforms.

- **Judicial Reform and Access to Justice**

The courts and processes for legal protection of rights and entitlements as well as for oversight of abuse of power and political interference are compromised or fail due to inequalities in the administration of justice and the absence of real separation of powers which should protect the independence of the judiciary. Public accountability is strengthened in

systems where the judiciary is independent and incorruptible. Positive transformative change in the Arab region is dependent on meeting people's expectations for transitional justice and strengthening the judiciary as a mechanism for public accountability. Reform of the judiciary are high on the agendas of transitions to democratic governance and sustainable and inclusive growth in the region. Many of the UNDP Country Offices in the region have governance programmes in the areas of judicial reform, rule of law and access to justice, which can be scaled up or from which to share experiences. UNDP will support national dialogue and consensus on the necessary constitutional guarantees and requisites for access to justice as well as their reflection in national legislation, including enforcement, monitoring and accountability mechanisms.

- **Responsive local governance and development**

Local government and development form the bedrock of a social contract between government, society and private sector. Whilst UNDP's support in the region has focused on institutional strengthening, UNDP needs to address the question of understanding power relations, wealth distribution and accountability from the 'bottom-up' and engage at the local level beyond technical capacity development of individual units.

In order to effectively deal with regional socio-economic disparities, while underpinning a bottom up democratic system, local economic development should be supported through enhancing planning and resource mobilization capacities of elected local authorities, while at the same time fostering the use of community driven development approaches, including localizing MDGs. Public-private partnerships can also be promoted with due care to ensuring that public accountability, rather than profit, drive the quality and delivery of core basic services. The regional reflection notes on local governance prepared by UNDP will harness available policy and technical advisory support to country level programmes from the RCC and HQ units.

UNDP Country offices in the region are undertaking a review of their democratic governance and related portfolios to explore possibilities of expansion, reorientation, consolidation in support of the transformation processes currently underway in the region. A regional Reflection Note produced in 2010 can help inform such reorientation as lessons learnt point towards the need to focus on local governance relations and processes in support of a new social contract that supports inclusive local government and community participation. A similar process of review of local economic and social development initiatives as well as environment/natural resource

management programmes would serve to establish these inter-practice synergies.

- **National Human Rights Institutions**

Human rights have been at the core of the political contestations for transformative change. Key to shaping resilient, human rights-based state-society relationships are the role of the national human rights institutions, including in their follow up of the recommendations of the Universal Periodic Review. Some of the UNDP Country Offices have, with their national counterparts, developed national action plans on human rights. UNDP will strengthen the capacity of national human rights institutions, especially in Egypt, Tunisia and Bahrain, in the context of their respective transition processes.

- **E-governance**

The region is relatively well known for important advances on e-government. But it is weak when it comes to e-governance. Most of the investments that Arab countries make on e-government are essentially focused on the inner workings of public institutions (or e-administration). There is little work done on e-service delivery, e-participation and access to information. An opportunity at hand can be found in e-service delivery for the poorest sectors of the population. Here South- South cooperation with countries in the region and outside will be critical. An enabling environment for ICT and access to information is an important factor where regional and global comparative experience can be harnessed and documented. The greater ease of accessing government services through e-governance, has to be reinforced through development and application of right to information legislation, so that the public at large is able to hold the authorities to account for use of public resources and avoid recurrence of nepotism which has been rampant under non-accountable governance systems in the region.

- **Right to Information**

Learning from the success of the right to information movement in South Asia in holding Governments to account on use of public resources and responsiveness to citizen needs, UNDP will use the space provided by the yearning for accountable governance in the region to provide civil society actors with access to the required tools for advocating for and eventually overseeing the implementation of meaningful right to information legislation in the region.

4. Promoting Equitable Development, Inclusive Growth and job creation

- **Macro-Economic Policies: Diversification and Employment-led sector investments**

Overcoming poverty and accelerating progress for achieving the MDGs, especially in the LDCs of the region, will require further strengthening capacities for formulating and implementing poverty/MDG focused national plans and programmes. Such plans and programmes will enable countries to identify and promote **sector strategies** necessary for achieving positive human development outcomes for men and women, and for **scaling up public investment in areas consistent with poverty reduction goals**—particularly in the industrial, agricultural and ITC sectors. Consequently, UNDP's interventions on poverty reduction in the Arab States region will focus on three main areas along the continuum of the support it provides (i.e, from policy advice, programme elaboration and implementation and evaluation): Strategies and Policies for social cohesion and poverty reduction, Employment Generation and Inclusive Economic Growth. UNDP is strengthening Country Office capacities for providing high quality policy advisory services in the area of pro-poor and employment-led macro-economic policies, based on successful experiences in a number of regions, including the Arab States region, of producing analytical pieces on the link between poverty and macro-economic policies. Adding to CO capacities UNDP will consider establishing a cadre of economists (macro, development, labour, socio, or sector) attached to the RCC but deployed at sub-regional level.

The economies of the region are either excessively dependent on a few sectors and/or a few markets, hence creating conditions that limit the dynamism and resilience of these economies to shocks. The extent of the problem varies from country to country with the more diversified economies in a relatively better situation than exporters of primary products. Also the extent of integration of the national economies into the World economy varies with substantial differences in export to GDP shares. However, as a norm the economies of the region have performed worse than similar countries outside the region in terms of rates of growth, the stability of the growth and its ability to generate employment.

There is thus a need for the countries in the region to increase the backward and forward linkages of their economic activities with the sectors and areas of the country that have been left out of the development process. This would mean a more active involvement of the State in providing the

required basic infrastructure needed for expansion of economic activities beyond current poles of growth. It would also mean expanding export markets for goods and services to countries and regions that are likely to demand goods that make the most intense use of the skilled and semi-skilled labour force that characterizes most countries of the region. This would also mean expanding intra-Arab trade in goods and services as well as greater opening towards Asian, African and Latin American markets. For the more populous countries there is also a clear need for actions that expand the market for goods and services that can be produced locally, through a more equitable distribution of income.

UNDP can support the move to a more **diversified economic structure** by working on analysis of factors that impede inter-sectoral and inter-regional economic links, suggesting practical measures for resolving the difficulties that exist and animating informed debates about needed policy changes.

Ensuring active involvement of **civil society actors and the media** to expand fiscal space and facilitate informed debate of major policy choices on the use of public resources and assets would form a part of the democratic transition process.

Concurrently, national capacities for promoting and adopting inclusive growth policies will need to be strengthened if poverty is to be reduced. A key factor inhibiting the development of poverty/MDG focused national plans and evidence-based growth policies is the lack of **reliable data and statistics** in the region. For instance, employment and income and expenditure surveys are rare in the LDCs of the region and data on key macro-economic parameters such as trade volumes, fiscal positions, unemployment and GDP rates are often not available and if so, are often available after considerable time lags and even then are often unreliable. UNDP is already working with the League of Arab States to strengthen socio-economic databases from which policy analyses and options for decision-makers can be drawn.

- **Greening Brown Economies**

In a region that is depleting its natural resources well above sustainable levels and with a brown economy that results in air and water pollution and land degradation, promoting a green economy not only advances sustainable human development and well-being and but does so by reducing substantial losses to society estimated by the World Bank at between US\$200 million to US\$ 3 billion dollars per year per country; the estimated cost of health effects from Particulate Matter pollution in cities of

more than 100,000 inhabitants in 15 Arab States amounted to USD 11 billion in 2008, according to a study undertaken in the framework of an Economic Research Forum and IDRC project. UNDP can support the transition to green economies both at the policy and community levels, in the context of its regional Climate Change resilience project and its “boots on the ground” initiative.

- **Re-thinking poverty**

UNDP will use the scope created by political contestation to provide additional rigour and depth to poverty assessments and informed debates about appropriate definition of poverty in the region. The poverty lines used in many Arab countries are simply inappropriate to the per capita levels of income in the region and tend to seriously underestimate the level of poverty, which for the region changes radically in response to adjustments to the national poverty line. In this connection, UNDP RBAS (RCC) is producing the first Arab Poverty Report with strong emphasis on rights, governance and economic development as the three pillars for revised Arab social contracts. The report, expected to be finalized in April, will be shared extensively with Arab civil society and development practitioners as well as leading Arab experts and well respected social policy thinkers.

- **Increased regional Integration**

In their most recent Summit on Economic and Social Development, Arab Heads of State and Government committed to systematic progress towards regional economic and market integration.

Deeper and more inclusive intra-Arab economic cooperation and integration that goes far beyond free trade of goods and services, seems to be not only the best way, but rather the only way for equitable and inclusive growth, sustainable development and MDG achievement. Such intra-regional integration and cooperation can be supported through: a region-wide system of knowledge sharing, production, and dissemination; intra-regional investments, and aid directed towards developmental projects as well as high-tech and high value-added industries rather than low-value added industries and services; a well developed network of intra-regional transport and communication infrastructure; a region-wide employment and poverty reduction strategy; and a strong and pro-active common position in international commitments negotiations. UNDP can further provide the required technical assistance for enhanced economic integration within the Arab region and sub-regions such as the Maghreb

Union. The creation of a market of over 300 million consumers can underpin a major upsurge of economic activity thus enabling job creation on a massive scale. The region and or sub-regions would also be enabled to negotiate better terms for access to global market opportunities by acting as a united force.

- **Innovative job creating schemes**

In order to respond to the employment challenge in the region, particularly amongst the poorer strata of youth and women, UNDP has to experiment with innovative job creating schemes drawing on the global expertise gained by the organization, including community driven/area development approaches and, possibly, employment guarantee schemes. While public works has been quite widespread in many developing countries, they are not common in the Arab region, although they can be used to expand jobs to the poorest segments of society and especially in the early stages of the transition. In partnership with the ILO, UNDP can build up the technical capacities of interested governments in its implementation. Guidelines now exist on good design features that can make a public works programme operate effectively, including the need to set wages at a level no higher than the market-determined rate for unskilled manual workers. This will ensure self-targeting—i.e., attract only those who need work at such a wage rate. The projects to be funded should target poor areas and should strive to create assets that are of value to poor communities, thus helping to redress regional disparities. Based on comparative experience, a public works programme can be funded at a cost well below 1 percent of GDP, while reaching large numbers of the poorest strata of the unemployed.

- **Entrepreneurship**

The expected reduction in political interference in the economic sphere, which used to create monopolies for politically well connected groups, families or companies, has to be supported by pointed and timely support to entrepreneurship development to allow new actors to enter the economic mainstream, notably educated youth. To this end, UNDP can draw on international experience in promoting genuine cooperatives/small business associations and social enterprises, as well as business incubators.

- **Local Development**

UNDP has global and country-specific experience in promoting local development, including in the countries of the Arab region. In partnership

with sister agencies, as appropriate, UNDP will promote a local development approach that is closely linked with strengthening local governance, by involving elected local bodies, where they exist, in the implementation of such schemes. Several of the RBAS Country Offices have pursued this approach, sometimes in the context of localising MDGs and/or through ART GOLD (or a modified and simplified version of it). Such schemes normally entail an assessment of the local resources (natural, human, financial, institutional, infrastructural, etc) and an identification of promising growth sectors and the infrastructure and services required along the value chain.

5. Promote South-South Cooperation

UNDP will continue to sustain its strong collaboration with the League of Arab States, including on many of the components contained in this regional response strategy. The Arab region also stands to benefit greatly from exchange of experiences related to transition processes:

- Latin America—on transitions away from one party rule (e.g. Mexico), including through compacts of political opposition and civil society fronts that underpin peaceful democratic transitions as well as social cohesion (Brazil and Chile);
- Asia—to learn from moves away from military dictatorships (e.g. Indonesia), legal empowerment of the poor (India) and community-driven development
- Africa—on transitional justice (e.g. South Africa) and peer review mechanisms.

Among the plans currently underway in UNDP to organize forums in the region for South-South exchange of experiences, are:

- **Transition Processes in Comparative Perspective: Lessons Learnt**

This is meant to be an overall view of transition processes, highlighting key and immediate issues of concern such as electoral reforms, constitutional reforms, reducing the role of the military, one party rule and a level playing field in preparation for elections, fundamental rights and citizenship in context of religion and state relations, public administration reform, when pressure is high to “clean” institutions of the *ancien regime*. This would engage UNDP’s Regional Centres and would serve to support Country offices which are planning to foster and

assist national dialogue processes. Yale University has expressed support to provide background fact documentation on cases.

- **Women in Transition Processes**

With UN Women, this is meant to share experiences inside the region and from outside it as to how women groups have worked to safeguard against regressions in gains already made and to keep pushing for gender equality and women's empowerment during transitions. We have the support of UN Women to work with UNDP on putting this together.

- **Community of Practice on Electoral Assistance for the Arab Region**

With support from BDP's DGG global programme, organize a COP in the region on UNDP's role in electoral assistance.

- **Enhancing Scenario building analysis to support national dialogue**

The PAPEP methodology/process supported by UNDP Latin America is an analytical scenario building exercise that is done by national thinkers and this informs national dialogue processes that UNDP fosters but does not lead. With support of RBLAC sessions in any Arab country that may need to understand the experience there will be organized. There is also support from the UNDP CO in Indonesia to showcase its support there to national dialogues.

- **Transitional Justice**

A number of partnerships in the region and globally are being explored to bring comparative experiences from various countries such as South Africa and Morocco. Several CSOs in Egypt and Tunisia would benefit directly from that. Plans are also to involve the International Transitional Justice Centre.

Strategic and Programme Planning Entry Points

Fifteen RBAS countries are at different stages of their new strategic and programme planning processes, of which two (Lebanon and Iraq) have started implementation. Among the countries which rolled out their new planning and programming cycle in 2010, three (Yemen, Syria and Morocco)

have completed their new UNDAFs and CPDs for submission to the forthcoming Executive Board, while Algeria expects to submit its new CPD to the September 2011 session of the Executive Board. Tunisia and Egypt are deferring their submissions, and Jordan, Djibouti and Sudan have begun rolling out their new planning cycle this year.

Over the upcoming year UNDP will revisit the new crop of deferred CCAs and UNDAFs to ensure that they more rigorously reflect and adequately address governance/freedom deficits (including sector and local governance) as well as youth issues, including along their linkages to MDG goals where indicators lag behind.

UNDP will review and, as needed, revise, the new CPDs to ensure that the R/UNDG priorities pertaining to youth and employment are translated into concrete programmes, especially their interlocking relationship with the nexus of poverty, governance and environmental sustainability/climate change resilience.

UNDP will build programmatically on its assessment of local governance factors in crisis contexts and on its stakeholder consultations on the legal empowerment of the poor;

UNDP will build on its Development Challenges report and on a forthcoming Arab Poverty report to design a programme, to be tailored to country specificities, on the nexus of poverty, employment, climate change and governance, to also stimulate public discourse on a new type of Arab social contract.

UNDP will develop a regional and country political economy analysis to support organizational awareness, identification of trends and provide early warning requiring UNDP support. The analysis will include forward looking scenario building to support the positioning of UNDP in the region and infuse conflict sensitivity into governance, institution building, poverty alleviation and natural resource management interventions.

Continuing Support for Countries in or emerging from Crisis

UNDP is providing comprehensive support to several countries which are experiencing ongoing crisis. Whilst many of these countries are facing pressing recovery and peace building needs, the democratic pressures witnessed across the Middle East have been felt. UNDP will work to

integrate CPR and democratic governance priorities in these countries, to build up the engagement in recovery and peace building processes.

Understanding conflicts and conflict sensitive programming

Recognizing that every conflict is different in nature, scope and magnitude, UNDP will work closely with COs, national governments, civil society actors and other institutional partners to deepen the understanding of the underlying causes of the conflict. This will be achieved through assessment and analysis of risks utilizing tools such as the Conflict Development Analysis. In conflict prone countries, UNDP will work with national governments and civil society actors to develop nationally owned strategies and conflict-prevention programmes that will address and mitigate the conflict risks, enhance social cohesion and manage conflicts before they lead to violence.

UNDP will also work on developing early warning systems and tools to monitor the conflict risk factors once identified and to give early signals to national governments and decision makers.

Effective local level early recovery, and livelihoods promotion of vulnerable groups

In countries going through or emerging from major conflicts, UNDP will work with national governments and other civil society actors to rehabilitate key public infrastructure and restore the delivery of basic services, whilst also providing opportunities for short-term employment. UNDP will also reinforce local administration capacities for recovery management; improving community security and social cohesion; and, responding to the diverse needs of IDPs in large displacement contexts.

Restoring governance and supporting reconstruction efforts

As conflicts are usually associated with the loss of human and institutional capital, most conflict afflicted Arab countries lack the governance capacity to coordinate, plan and implement recovery and reconstruction efforts. UNDP will therefore work with COs to strengthen the capacities of state institutions to deliver recovery services, to restore community security and reconciliation, and to support constructive interaction between national and local institutions and the population. Work with authorities will also support the development of more inclusive policy processes and resilient institutions to address the causes of conflict.

Annex 1

Comparative Experience: potential for South South Cooperation

UNDP has extensive experience in supporting transitions in different contexts. This note brings together comparative experiences in democratic governance in specific areas highlighted by the RSC as currently of critical importance and where additional information on comparative UNDP experience would be useful. The paper is descriptive, and makes no policy recommendations. It draws on a variety of sources including existing UNDP documents published and in draft, project documents, and particularly the experience of regional advisors from regions other than the Arab States. It is not a comprehensive list but is indicative of the wealth of UNDP experience.

CASE Examples by Region

- **RBAS:** In 2009 UNDP worked with MPs in the Arab Region to develop standards for political party legislation. UNDP supported a regional working group of MPs from Arab States (from across the political spectrum) to discuss and define the content of a model legal framework for the regulation and financing of political parties. This document can be the basis of engagement both regionally and in specific countries where there is demand for political party reform. (<http://www.arabparliaments.org/publications/books/politicalpartieslegislationgp-e.pdf>)
- UNDP has developed self-assessment tools for parliamentarians to allow them to measure the areas that require support to allow elected representatives to engage in conflict resolution, thus allowing for long-term planning, post-election, for a sustainable approach to managing change.
- UNDP supported the work of the independent commission on electoral law reform in Lebanon (2005-2006). This ranged from the provision of researchers and minute-takers to creating a platform for South-South cooperation on a range of relevant issues such as Independent National Electoral Commissions, out-of-country voting, electoral districting, campaign financing, the role of the media, women in the electoral process, etc. Following the drafting of the new

electoral law, UNDP supported voter education country-wide, though both information dissemination on the new electoral law and by facilitating broad-based public discourse on the draft new electoral law in all the regions of Lebanon—i.e, at the sub-national levels—as well as at the national level.

- Also in Lebanon, UNDP supported the elaboration of a National Human Development Report focused on State and Citizenship. This included a year-long initiative providing public space for ordinary citizens to share their contributions to public goods.
- **RBEC:** In Kyrgyzstan UNDP has been working closely with the UN Regional Centre for Preventive Diplomacy (UNRCCA) for Central Asia to accompany the political transition process in Kyrgyzstan since 2010. UNDP's peace and development programme, which started several years ago from a conflict prevention perspective, has built many of the critical relationships with Government and civil society both at the national and local level, which turned out to be key to manage the political transition process (first parliamentary democracy in the region since first parliamentary elections in 2010).
- UNDP and UNRCCA are working closely together in terms of political analysis, identification of entry points for conflict prevention work, advocacy for peaceful transitions and sustainable conflict management capacities, engagement of political leaders and parliamentarians for constructive engagement within the new coalition Government, as well as providing the foundations for peaceful elections. UNDP's access to both Government and civil society leaders, as well as, in particular, the partnerships built at the local level have proven to be key for both a conflict-sensitive recovery process (from violent clashes in April and June 2010) as well as for a wider conflict prevention strategy from a national point of view.
- **RBEC – Turkey:** military rule to an Islamist party lead democracy (and candidate for the EU)
- **RBLAC:** UNDP has successfully assisted in transitions: see case studies in boxes from El Salvador and Bolivia. Also interesting to look at the move away from one party rule in Mexico as well as the compacts of political opposition and civil society fronts that underpin peaceful democratic transitions as well as social cohesion (Brazil and Chile)
- **RBAP:** One notable example of UNDP support to democratic transitions, which covers many of the areas addressed in the Response Strategy is **Indonesia**.: following the fall of the Suharto regime in

1998 a multi-donor Partnership for Governance Reform was formed: this was a \$60m multi-donor trust fund to support post-election systemic and institutional capacities at national and local levels. This was a very successful initiative that brought global best practices to help Government and civil society partners in the formulation of constitutional reforms, bill of rights, criminal and civil law reform, decentralization, and the strengthening of civil society. Additionally, UNDP sponsored the formation of an independent advisory unit and think tank, UN Support for an Indonesian Recovery (UNSFIR) to provide very strategic and high level policy advice to the Government on a range of political and economic reform issues. A major emphasis was on producing white papers for Government consideration in its decision-making and policy reform processes. It also supported strategic roundtables (see below under national dialogue processes). Other examples from Asia include legal empowerment of the poor (India) and community-driven development (Bangladesh).

- **RBA:** In Guinea Bissau UNDP provided technical and financial assistance for mediation and facilitation activities conducted by the Peace and Development Advisor (deployed from the joint UNDP/DPA programme). These activities included the setting up of a platform that enabled an agreement between organized civil society (under the Conte regime, labour unions and other mass-based organizations were the primary vehicles for mobilization, as political parties were weak) and the military junta to conduct presidential polls without the participation of military officers and military-backed candidates.

After a period of tension, the platform assisted with the successful negotiation of the dates for the second round of presidential elections in October 2010. A partially successful peace campaign and a public confidence-building effort, were also implemented via the dialogue platform to enable the peaceful conduct of the second round. While inter-ethnic and political violence occurred both before and after the second round of presidential polls in October-November 2010, its spread was contained through a combination of regional and UN diplomacy, and the internal peace-building efforts of the platform.

It must be noted that regional diplomacy through UNOWA and ECOWAS, and the close collaboration between the Peace and Development Advisor and the UNOWA Mediation Officer, also deployed with the Resident Coordinator's Office, contributed to the success of UNDP's intervention.

Case Examples by Theme

Constitutional reform by transitional governments/caretaker governments

Several countries in Eastern and Southern Africa, as well as Asia have recently gone through constitutional reform processes and have generally taken time to do so. Learning from experiences in Asia and South and East Africa include:

- Rushed constitutional reform processes that are not consultative and that focus mainly on deconstructing the power structures of the previous regime are to be avoided. The key issue has been to ensure the legitimacy of the process, both perceived and actual. In some cases it has therefore been better to amend specific aspects of an existing constitution whilst a more comprehensive process is underway.
- Broad-based Constituent Assemblies are a common mechanism to ensure popular engagement in constitution making and help ensure that time is taken for such engagement.
- A clause can be inserted into a revised constitution requiring that the Constitution be reviewed within 2/5/10 years. This allows current processes to settle, but reassures the public and key elites that they will get another chance at reforming their system of governance. Notably, the post-conflict **Bougainville** Constitution (Melanesia) is required to be reviewed after 10 years.
- It is essential that properly funded public awareness-raising is carried out on the content of proposed constitutional amendments as soon as they are agreed. This is costly, especially if it is to be done quickly/intensively—but this is often where processes fail. If the public are not on board, fragile political consensus can dissipate very quickly.

Specific experiences include:

- In **Fiji**, a Committee of three drafted the 1997 constitution, which was then endorsed only by Parliament, without any process for public input, either via a constitutional convention or a referendum. There have been two coups in Fiji since then. Likewise, in **Nauru**, although there was considerable public consultation, it was insufficiently targeted at building consensus around disputed targets, and the referendum around the constitution failed
- **Kenya and Zimbabwe** have recently undergone constitutional reform processes (Zimbabwe not yet finished) and there are some interesting

experiences of how and how not to do it, which can be shared in more detail by the RSC.

- In **Nepal**, UNDP is presently deeply engaged in support to the constitution-making process. The Support to Participatory Constitution Building in Nepal project began in April 2008 to assist the development of an inclusive process for building Nepal's new democratic constitution. The project aims to facilitate the connection between assembly members and the citizenry, establishing a functioning constituent assembly and facilitating widespread, balanced and meaningful public involvement in the constitution building process. The Centre for Constitutional Dialogue (CCD) was launched by the project in January 2009 to assist the process.

Electoral reforms including new electoral laws and new electoral management bodies

UNDP's extensive experience in this area is readily provided via GPECS. ACE (<http://aceproject.org/ace-en/topics>) provides overview information on a number of technical topics including electoral management, electoral systems and legal frameworks.

- **Bangladesh** provides useful experiences on elections during the recent transition from care-taker to elected government. The UNDP-commissioned independent study entitled, "**Elections in Bangladesh 2006-2009: Transforming Failure into Success**" chronicles the story of the 2008 elections, and analyzes how the collapsed electoral process was transformed within a relatively short period of time into elections that received national and global recognition for their free, fair and credible conduct. http://www.undp.org.bd/info/pub/Elections_in_Bangladesh.pdf
- In **Indonesia** after the fall of the Suharto regime, UNDP administered a \$75m multi-donor trust fund for supporting elections. It was the largest ever UN assisted election at the time and led to a successful multi-party legislature and a functional coalition government.
- **Bangladesh** was also a successful experience in registering eligible voters and cleaning up the voter rolls. While there has been an increased push by other countries to utilize biometric data in their voter registration process, a review of each country should be conducted first to see if this is indeed the most appropriate mechanism to use for that context.

- **Timor Leste** also illustrates the benefits of bringing UNDP electoral assistance and UNMIT electoral assistance under one coordinated project (in this case UNEST). This warrants consideration by countries that have two branches of the UN providing electoral assistance.
- In **Pakistan** quotas are in place for women at the sub-national level, however violence and threats of violence has prevented some regions from reaching those established quotas.
- While the legal basis for electoral issues, including the establishment of new electoral management bodies, is usually a constitutional matter it is possible to appoint interim Independent Electoral Commissions. This recently happened in **Kenya** and **Zimbabwe**.
- In **Cambodia** successfully run technical elections from the 90's have created a competent electoral commission, but the system has come to be dominated by one party and engagement on broader democratic principles that elections should be related to has been made near impossible.

Transitional justice

An extremely useful consolidated reply to a network query on comparative experiences on transitional justice (TJ), including lessons learned, details of coordination with OHCHR, brief case synopses and links to extensive further material is available here: http://messages.undp.org/?messageid_=JiMgKyYkXUMkCg==&src=121515

The detail of that document will not be repeated here.

Advisors from other regions highlight their learning:

- An elaborate process of sequencing is very crucial. Although there are temptations to react immediately and very strongly against the old regime caution is needed.
- It is critical to set a tone that says that something is being done now about the most recent gross violations targeting those responsible but also that historical injustices will be addressed in a much more elaborate process that will be fair and just for all (victims and perpetrators alike)
- Transgressions of brutal regimes often occurred across their entire duration and not just in the twilight days or weeks when they are fighting for their survival so it is important that processes that are established pay ample attention to this.

- Short and long term issues can be balanced by establishing commissions to investigate violations, identify those most responsible for it and recommend punitive measures. Simultaneously, Reconciliation Commissions can be established aimed at addressing historical abuses and fostering peace and reconciliation. **South Africa, Sierra Leone, Liberia, Burundi**, have mixed examples of these.
- **Timor-Leste:** A combined approach of a formal justice process for serious crimes and the Timor-Leste Commission for Reception, Truth and Reconciliation (CAVR) for less serious acts. CAVR functioned from 2002 until 2005 and was an independent, statutory authority led by seven East Timorese Commissioners to: undertake truth seeking involving inquiry into human rights violations committed during the occupation (1974-1999); facilitate community reconciliation for less serious crimes; and, produce a final report including findings and recommendations which was presented to the President, Parliament and Government in October 2005. UNDP assisted the CAVR mechanism through the project Support to the Commission for Reception, Truth and Reconciliation (CAVR) envisaged at supporting the operations and objectives of CAVR in Timor-Leste. Read more here. See CAVR information here.
- **Bosnia Herzegovina:** UNDP through the Supporting National Capacities for Transitional Justice in Bosnia Herzegovina project aimed to develop TJ capacity within both society and government. The project included a TJ consultation process, TJ training and dialogue facilitation at the community level
- **Liberia:** The Truth Commission of Liberia (TRC) was established as an outcome of the 2003 Accra Comprehensive Peace Accord and completed its mandate in June 2009 with a final report submitted to the government with recommendations including prosecution, lustration, amnesty, and local level discussion mechanisms. The UN (OHCHR, UNDP and UN Mission in Liberia) provided financial and technical support.
- **Kenya:** The international effort in reaction to the violence and political crisis in 2007 resulted in the signing of the National Accord and Reconciliation Act (NARA), 2008. Also enacted in 2008 were the National Cohesion and Integration Bill 2008 and the Truth, Justice and Reconciliation Commission (JJRC) Bill. The former is a permanent commission that seeks to encourage national cohesion and integration by outlawing discrimination on ethnic grounds and

the latter, has a two-year mandate which seeks to address historical injustices. The formation of a TJRC had been discussed since 2002 but not established at that time in favor of other transitional justice options such as limited lustration, targeted assistance to victims, institutional reforms and task forces. Post 2007 new impetus was given to the formation of a TJRC. Despite initial detractors, the CSOs in the TJ network and faith community have exhibited support for the TJRC. Learning from other lessons in other countries, the Kenya TJRC intends to strengthen the implementation of recommendations by making some mandatory and time-bound. The TJRC will also embark on a country-wide awareness-raising tour. There are also TJ efforts taking place at the community level through strengthening of local conflict mitigation structures. More information is available here.

- **Nepal:** After a decade-long conflict in Nepal, the government is now in the process of establishing TJ mechanisms. In consultation with CSO and other concerned groups, the government has finalized the draft Truth and Reconciliation Bill which aims to establish a Truth and Reconciliation Commission (TRC); address issues of impunity and reparations and create a reconciliatory environment in society. Victims associations are strongly lobbying for a Commission against Enforced Disappearance (CED) and a government bill has been drafted. UNDP specifically plans to support establishment of the TRC secretariat and provide technical assistance and help develop a gender strategy for the TRC. The National Human Rights Commission of Nepal reviewed the draft bill on the TRC and advised the government to finalize it in line with international standards and in wide consultation with stakeholders.
- In **Indonesia**, UNDP supported access to justice/reconciliation programmes to address historic grievances in parts of the country such as Eastern Indonesia where long-standing disputes surfaced into open conflict during the political transition. Additionally, through an access to justice assessment UNDP supported the peace process by helping identify and prioritize how to strengthen access to justice so that communities were able to receive redress for grievances (<http://www.undp.or.id/pubs/docs/Access%2oto%2oJustice.pdf>).
- In the **Maldives**, there was discussion about the possibility of the National Human Rights Commissions facilitating the reconciliation process by holding public hearings—but due to concerns that the process would be too politicized they were not able to move forward

on this. However, NHRIs, with support from UNDP, may have a role to play as well in the transitional justice process in other contexts.

Security sector governance reform

Within the UN system, UNDP's support for democratic governance of security institutions falls into the following six areas: legal frameworks, strategic security policy, institutional management, democratic oversight, civil society and the media, women's rights¹. The Pacific Centre CPR team produced a publication on SSG which might be of particular relevance/interest in the context of democratic oversight. http://www.undppc.org.fj/_resources/article/files/Enhancing%20Security%20Sector%20Governance%20in%20the%20Pacific%20Region.pdf.

It is important to note that UNDP's approach to democratic governance of the security sector is linked to its support for justice sector reform and access to justice. The justice (most obviously the criminal justice system) and security sectors are interdependent and should develop together in adherence to democratic governance principles. The ability of individuals, particularly the poor and marginalized, to seek justice and redress for their grievances is critical to good governance. As the largest service provider in this area, UNDP would be able to provide support to enhance access to justice and increase justice service provision.

Current initiatives by UNDP in this area include²:

- In **Central African Republic** and **Guinea Bissau** UNDP is supporting the government in conceiving and designing a broad security sector reform process.
- UNDP and the UN Mission in **Liberia** (UNMIL) have supported the Liberian National Police. A key emphasis has been the rebuilding of a police force that will serve the Liberian people. Reform of the LNP entailed a wholesale redesign of its structures, processes and operations to make them more responsive to the needs and expectations of citizens.
- In **Kosovo**, UNDP is supporting the authorities in establishing the foundations of accountable security institutions. The Kosovo Justice and Security Program 2009-2011 advances an integrated approach

¹ See UNDP (2010) 'Concept Note: supporting Democratic Governance of Security Institutions'.

² Sources for this section include: 'Transitional governance: a strategic framework for consolidating peace' Draft 15 Nov 2010.

to the provision of community security. Outcomes are focused on reductions in gender-based violence, perceptions of security, improved access to justice, strengthened capacity of justice institutions, development of an effective, democratically-controlled security sector, as well as more traditional security programming areas.

- In **Timor-Leste**, UNDP has supported public perception studies of the security sector to assess not only the quality of their performance and governance, but also to evaluate the direction of future reforms. They are also a mean for supporting public accountability of the security sector and involving civil society in its governance.
- In **Indonesia**, UNDP has supported a large number of important policy reforms and capacity development initiatives with the military and the police under the Partnership for Governance Reform programme noted on p1.

Grand corruption

UNDP's experience in this area is consolidated through PACDE. Information here has been provided by advisors in the RSCs.

- In **Bangladesh**, the care-taker government empowered the Anti-Corruption Commission in 2007 to take drastic action to root out corruption in the country. The ACC filed charges against hundreds of politicians, some bureaucrats and several businessmen. Many politicians including two former Prime Ministers were arrested and put under arrest for months. However, most of them were released from jail on the verdict of the higher courts or following the elections. Once the democratically elected government came in power, the ACC's powers were curtailed and anti-corruption drive dwindled. In the end, it proved unsustainable.
- In the **Maldives**, 30 years of authoritarian rule ended following democratic elections in 2008. The newly elected government sought **to recover \$US 400 million stolen assets looted by its former president, Maumoon Abdul Gayoom, and his associates**. It reformed the existing Anti-Corruption Board into a new Anti-Corruption Commission with new leadership and later also created a new Anti-Corruption Unit in the President's Office to deal with corruption allegations under the previous government. So far, these efforts have proven unsuccessful to recover stolen assets from abroad. The process has been slow and much more difficult than initially expected. Two

years following the transition, the local capacity is still weak to pursue international complex cases of asset recovery.

- In **Niger**, during the transition period in 2010, the Commission of Inquiry into corruption cases published the names of 200 people who were accused of misappropriating public funds along with the amounts of money they were expected to return to the state. The commission obtained the power to freeze assets of those accused who refused or could not reimburse the state and take the cases before the courts. In less than 8 months, the Commission recovered nearly 3% of the annual national budget.

Civic Engagement

Advisors from other regions have noted the following learning:

- The legitimacy of the transitioning powers depend on citizens to express their voice and their support in both the short and the long run.
- Strategies for engaging civil society depend on re-establishing a healthy public sphere - an arena where citizens can come together, discuss, deliberate, and eventually form public opinion.
- Transitional processes that are initiated (including the constitution-making processes) should deliberately and purposefully build in mechanisms for engaging civil society including through public dialogues and consultations around reform issues affecting them.
- Rapid strategies to engage CSOs in the process in the short term include UN organized policy dialogues and stakeholder consultations where CSOs have a leading or partnering role.

Many good lessons can be learned from experiences in **Nepal, Maldives, Timor-Leste, Bhutan and Thailand**.

- Lessons from Nepal include the Participatory Constitutional Dialogue program established to support Nepal's constitution making process providing training opportunities, expert advice, information, dialogue space as well as promoting public awareness including for civil society organizations: <http://www.ccd.org.np/new/index.php?action=site&conid=72>.
- In **Liberia, Mauritius and Serbia** and elsewhere UNDP has engaged with the critical issues of the legal and regulatory framework for civil society. A primer 'The Role of Legal Reform in Supporting Civil Society'

(the International Centre for Not-for-Profit Law and UNDP) is available here <http://content.undp.org/go/groups/brsp/brsp-cso/>

MEDIA

Support for civic engagement also includes focused and strategic attention to plural and independent media and access to other communication channels. Learning from other regions shows that:

- It is critical that unbiased information and coverage is provided through both mainstream and new media channels. If national media is unreliable or tightly controlled, the more important are the alternative channels as well as social and community media.
- It is important to coordinate UNDP's initiatives in this area with other actors, including through the international media partnership coordinated by International Media Support (IMS)
- In **Iraq**, UNDP has worked with the mainly sectarian media that initially played a role in reinforcing past ethnic tensions. It has also helped create a new independent news entity, *Aswat-Al Iraq*, –Voices of Iraq modeled after Reuters. Media development programming has focused on developing a framework for independent and professional media, developing local content, and identifying key training institutions, regulatory bodies, and professional entities.
- The results of Communication for empowerment initiatives aiming at developing civic knowledge, engagement and the voices of excluded groups are also encouraging. Initiatives of this kind are with UNDP's support evolving in **Cambodia, Indonesia, Laos, Nepal and Philippines**. The Khoun Community radio initiative in **Lao PDR** has been successful in including concerns and voice of various ethnic groups in decision making processes. The station broadcasts in three local languages and gives communities a voice through direct participation in the radio and community news making. UNDP is currently considering ways to build on the success of this pilot in a new project phase.
- In Asia two countries—**Cambodia and Maldives**—are embarking on youth and independent media initiatives as ways to enhance civic engagement. In Cambodia a Youth Multimedia Civic Education Initiative is currently underway. This is an important area for civic engagement but not an area without challenges due to often weak infrastructure and blocking and filtering of websites, defamation

cases of bloggers as well as strict licensing regimes for community radio.

- In **Indonesia**, the Community Recovery Programme (CRP) was a \$60m multi-donor trust fund to support social safety net programmes in partnership with hundreds of national and local CSOs, in response to the economic slow-down during the first years of the transition and the re-emergence of extreme poverty. It played an important role in strengthening CSOs role in the transition and supported goals of social welfare and stability during a time of great change.

Support to nationally-led dialogue processes

Experience from other regions shows that nationally-led dialogue processes can be a powerful tool in directing attention and identifying solutions to specific issues, across the range of issues facing the Arab states today. Advisors note that dialogues can help ‘settle things down’ a bit when the default is to do something immediately and fast. UNDP has experience in supporting these dialogues in different ways, including by helping create the space and encouraging their inclusivity (including supporting segments of society that would otherwise be marginalized, e.g minorities, youth, women, etc). UNDP can also support the provision of information and technical expertise to such dialogues.

- In **El Salvador, Bolivia** and elsewhere in **Latin America**, UNDP through the Political Analysis and Prospective Scenarios project (PAPEP) has supported reflection, dialogue and scenario-building with political and socio-economic actors in times of political crisis.
- In **Kosovo**, UNDP developed the Kosovo Early Warning System (KEWS) in 2001. It relies on continuous opinion poll surveys in order to provide stakeholders in Kosovo with a systematic conflict monitoring system. A nationally representative opinion poll assures impartial representation of the attitudes of all residents on issues that affect the political, social and economic stability of Kosovo. The information from these polls is used in various dialogues and decision-making processes.
- In **Indonesia**, UNDP supported strategic round-tables to facilitate dialogue among stakeholders. A major thematic emphasis was on economic recovery from the crisis, crafting a new social compact, and ensuring social safety nets.

- In **Liberia**, UNDP supported the development of a youth action plan and the extensive participation of youth in the post-conflict reconstruction.

It will be extremely important to pay particular attention to ensure that youth are included in national dialogue processes, including through new and social media.

Donor coordination, especially in the context of strong bilateral and other multilateral aid

UNDP has wide experience of administering multi-donor trust funds as a means to coordinate donor inputs, as well as supporting government capacity to interact with donors and put forward national priorities. In **Indonesia**, the multi-donor Partnership for Governance Reform (see p1) was a successful multi-donor trust funding support post-election systemic and institutional capacities at national and local levels.

GOVERNANCE CRISIS PREVENTION.

The El Salvador case study.

In 2008-2009 El Salvador was facing critical challenges. On one hand, the country was seriously hit by the global economic crisis that led to a cut in emigrants' remittances, decrease in exportations and a general slowing down in most economic activities. On the other hand, El Salvador was passing through a presidential electoral process, in which the FMLN (Frente Farabundo Martí para la Liberación Nacional) was expected to win the elections for the first time since the peace agreements signed in 1992. Since then, the country had been ruled by the ARENA (Alianza Republicana Nacionalista) for four consecutive presidential mandates. The opposition's victory would have implied a new cycle in El Salvador's democratic history. The FMLN feared that the government would have not recognized the elections' result, or at least would have made the power transition very difficult. Considering the above described situation the new government would have had to deal with two great challenges in the middle-term:

1. The new rulers would have had to rethink urgently national economic policies in order to react to the global economic crisis' negative effects on El Salvador. That would have been the only chance to revitalize the country's finances, and at the same time to respond to the citizens' expectations for the economy's recovery.

2. The urgent decisions that had to be taken on economic issues and on institutional reforms implied the building of broad spectrum political agreements in a country that had been characterized by political polarization in the last 20 years, and before that, torn apart by civil war. The new government would have needed a high dialogue and consensus building capacity in order to create a governance framework leading to a stable and consistent reform process with high level of political legitimacy.

In such a context, UNDP through the Political Analysis and Prospective Scenarios project (PAPEP) identified what could have been the possible political scenarios for the future, and which one would have represented the best option for the country. Starting from the analysis of the economic and political situations the project identified three possible scenarios:

1. Polarization and Recession: Lack of political agreements and impossibility to implement consensus based economic policies responding to the citizens' expectations. Congress' stalemate and Executive's focus mainly on political crisis. Possible questioning of the Peace Agreements' validity and consequent political crisis.
2. Political Agreements without Economic recovery: Basic agreements on how to stay afloat in the short term with regard to the economic crisis. However, lack of effective social policies and long term economic reforms, and negative GDP's growth. Rising citizens' dissatisfaction and social unrest.
3. Dialogue and Economic recovery: Broad socio political agreements not only to implement effective long term economic reforms, but also to limit the social impacts of the crisis. Productive debate on the role of the state in the economy and on pending economic reforms. Politics' modernization and strengthened institutionalization of El Salvador's democracy.

By the end of 2008 (the most crucial electoral competition moment), UNDP El Salvador and the PAPEP promoted reflection and interlocution sessions with the two main political parties' leaders, and with the most relevant socio economic actors. Even the President's staff was involved in the process. The objective of the sessions was to present to national key actors the possible scenarios and the paths leading to the most desirable future. The PAPEP stressed the importance of the following key points:

- i) Economically El Salvador was amongst the most vulnerable countries of the LAC region. Social dissatisfaction towards economic management was on the rise. Depending on the decisions taken by the new government the country could recover from the crisis or fall into the abyss.

- ii) El Salvador was passing through a totally new political phase. The political polarization that had characterized the last two decades had led to a deadlock that caused politics' ineffectiveness and growing social discontent. The society demanded a change in democracy and enhanced governance. The alternatives were either making an effort to develop politics aiming at consensus building, either maintaining the political and institutional stalemate, risking the economic crisis worsening and growing socio political unrest.
- iii) The fostering of political agreements would have lessened the possibilities of post electoral political unrest and the risks of a liquidity crisis and economic breakdown.
- iv) There was no possibility of economic recovery without political agreements. However, those agreements should have gone beyond short term solutions. They should have aimed at generating consensus around key reforms with long term positive outcomes on the economic system (fiscal reform, pension system reform, etc...).

IMPACT: Finally the analysis' results were presented to the then President, ARENA's Antonio Saca, and to FMLN's candidate, Mauricio Funes. Both were open and receptive to PAPEP's findings. In the months following the presentation Saca and Funes decided to move closer and their relationships eased. On the 16th of March 2009 Mauricio Funes won the presidential elections and stressed immediately the importance of working together with the opposition for the country's good. Saca and Funes agreed on carrying out an ordered political transition which opened the doors for the beginning of El Salvador's democratic political alternation.

DEMOCRATIC DIALOGUE PROMOTION.

The Bolivia case study.

In December 2005 Evo Morales was elected as Bolivian president with 54% of the votes in favour. He became the first indigenous president in a country with a long history of exclusion and discrimination against the indigenous majority. President Morales and its political party, the MAS (Movement towards Socialism) aimed at fostering deep socio political and economic reforms. One of the president's main objectives was to convene a constituent assembly in order to rewrite the national constitution. Contemporarily, in Bolivian eastern and southern departments, centre of national economic power and of the political opposition against the MAS, demands for political and economic autonomy began to rise.

While the MAS focused on the new constitution and on the country' re-foundation, the regional opposition pointed at gaining as much as possible

autonomy from the adversary new central government. Between 2007 and 2008 the opposing political agendas started to seem irrevocably irreconcilable pushing the country towards the brink of breakdown.

In November 2007 the MAS, holding the constituent assembly's majority, approved the new constitutional text, which was not recognized by the opposition. Between May and July 2008 the opposition departments convened autonomy's referenda, which had not been authorized by the central government and were not recognised by the National Electoral Court (NEC). On the other hand in September of the same year the MAS government, amongst legislative irregularities, tried to convene the new constitution's ratification referendum, but the NEC did not approve its implementation. Violent protests, with roads' blockades and government institutions' takeover, erupted in the opposition departments. Clashes in the Pando department caused 11 deaths and the declaration of state of siege in the region. The country seemed to be falling into a serious socio political crisis.

In such a tense situation the PAPEP identified three possible scenarios:

1. Development of political dialogue between the opposing political agendas aiming at finding a consensus based agreement that could have satisfied both parties' aspirations. That was the most desirable scenario but seemed unlikely to happen due to the political polarization and reciprocal distrust.
2. Partial political agreement on basic rules to carry out the constitutional and autonomy referenda aiming at unlocking the political conflict. This scenario could have eased the political tension in the short term, but most probably would have not sorted out the key issues at the base of the political conflict.
3. Absence of political dialogue leading to a deepening of the conflict and polarization involving high risks for the country's political stability.

To achieve the best possible scenario and avoid a serious political crisis that could have led to the country's breakdown the PAPEP identified three critical actions that should have been implemented:

1. Strengthening of NEC's capacities, because the institution would have played a key role in the power struggle through the managing of the referenda and forthcoming electoral processes.
2. Develop and articulate an institutional path in order to ratify the new constitution and the regional autonomies through regular referenda, on the basis of the conflicting political agendas' mutual recognition.
3. Fostering the two agendas' gradual alignment and integration.

In this political context the challenge for the UN in Bolivia was to support the country in finding peaceful and democratic solutions for the change process through:

1. Support to the NEC, considered as the key institution for the democratic and institutional resolution of the conflict.
2. Facilitation and Observation of the political dialogue process, together with other international and national organisations.
3. Advocacy to support dialogue and peace through media campaigns. Publication and dissemination of public opinion polls' results, showing people's demands for peace and dialogue. Support to public campaigns to promote peace, dialogue and human rights.

The PAPEP played an active role in supporting the UN RC and UNCT in political information collection and analysis, producing:

- i) Political scenario building and assessments;
- ii) Public opinion polls on key issues regarding the political conjuncture, governance and public policies;
- iii) Monthly political reports (based on ad-hoc interviews, secondary information sources' review and public opinion polls);
- iv) Promotion of dialogue spaces involving national political and social actors.

At the same time the project supported the NEC through:

- i) Strategic political advice to the NEC's President;
- ii) Continuous presentations of institutional and political scenarios;
- iii) Legal and technical assistance to back the NEC's plenary sessions' resolutions' elaboration;
- iv) Facilitate NEC institutional advocacy with political and social actors.

IMPACT: Through the above mentioned actions the PAPEP supported actively UN's role in the political dialogue between the government and the opposition departments and parties that was carried out between September and October 2008. Such a dialogue was facilitated and observed by the UN, the Organisation of the Americas (OAS), the Unión de las Naciones Suramericanas (UNASUR) the EU and the national churches. At end of October the opposing parties reached an agreement on the new constitution's text and on the promulgation of the law convening the ratification referendum. That led to the end of the violent clashes that had been shaking the country. In January 2009 the new constitution was ratified, through a legitimate referendum, with 62% of the votes in favour.

