



**INDEPENDENT COUNTRY PROGRAMME EVALUATION
BHUTAN**

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Independent Evaluation Office
United Nations Development Programme

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FOREWORD

It is my pleasure to present the second Independent Country Programme Evaluation (ICPE) of the UNDP in Bhutan, previously called “Assessment of Development Results (ADR)”. The evaluation, which covered the 2014-2018 programme period, was conducted by the Independent Evaluation Office (IEO) in close collaboration with the Government of Bhutan, UNDP Bhutan country office, UNDP Office of Audit and Investigations and UNDP Regional Bureau for Asia and the Pacific.

UNDP has been supporting the Royal Government of Bhutan (RGoB) and the Bhutanese people since 1973 although a local presence was officially established only in 1979.¹ Its programme has changed significantly over the years, shaped both by the country’s development aspirations and its challenges. The Five Year Plans and the Gross National Happiness concepts, which lay out Bhutan’s goals and principles for development are among the key national frameworks based on which UNDP’s work have been conceived.

Despite significant progresses and its likely graduation from Least Developed Country status, the country continues to face numerous challenges, including socioeconomic gaps, fast urbanization and risks of natural disasters. Given the significant potential the country has in many aspects, such as the strong government commitment to the achievement of the Sustainable Development Goals, a growing youth population that can drive the country’s economic development and strengthening of its democratic institutions, UNDP has much more to contribute to help facilitate the country’s transformative processes.

UNDP made tangible contributions in its programme areas during the period under review, helping Bhutan make its sustainable and ‘green’ economic growth more equitable, inclusive and resilient to climate change and natural disasters; supporting governance institutions and communities become better equipped to exercise principles of democratic governance; and strengthening the legal and policy environment for advancing rights and protection of women.

At the same time, the evaluation found several areas requiring attention as we move forward, particularly to ensure that UNDP’s efforts contribute to achieving the long-term development goals as aspired to in its country programme. These included improved harmonization and coordination of its work with other UN agencies and development partners; clearer theories of change with adequate system thinking to ensure more efficient and effective investment of resources and the sustainability of results; and enhanced integrated approaches to contribute to the SDGs, leaving no one behind.

I would like to sincerely thank the Royal Government of Bhutan, colleagues at UNDP Bhutan Country Office and the RBAP, and national development partners for their participation in the evaluation and providing support throughout the exercise. The report contains a set of conclusions and recommendations. I trust that the messages from the evaluation are useful in our colleagues’ formulation of their next country strategy starting in 2019.

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ACRONYMS

ABS	Access to Genetic Resources and Benefit Sharing
ADR	Assessment of Development Results
BIOFIN	Biodiversity Finance Initiative
BITAD	Bhutan Institute of Training and Development
BOS	Business Operations Strategy
BRH	Bangkok Regional Hub
CCPD	Common Country Programme Document
CEDAW	The Convention on the Elimination of all Forms of Discrimination Against Women
CO	Country Office
CPD	Country Programme Document
CSO	Civil Society Organization
DAO	Delivering as One
ECB	Election Commission of Bhutan
FYP	Five-Year Plan
GDP	Gross Domestic Product
GECDP	Gender, Environment, Climate Change, Disaster and Poverty
GEF	Global Environment Facility
GHG	Greenhouse Gas
GLOF	Glacial Lake Outburst Flood
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GSSU	Global Shared Services Unit
HIV	Human Immunodeficiency Virus
ICPE	Independent Country Programme Evaluation
IEO	Independent Evaluation Office
ILCCP	Integrated Livestock and Crop Conservation Project
LGBT	Lesbian, Gay, Bisexual and Transgender
MDG	Millennium Development Goals

MIC	Middle Income Country
MRG	Mainstreaming Reference Group
NAPA	National Adaptation Programme of Action
NGO	Non-Governmental Organization
NIM	National Implementation Modality
OAG	Office of the Attorney General
ODA	Official Development Assistance
PEI	Poverty-Environment Initiative
QCPR	Quadrennial Comprehensive Policy Review
RBAP	Regional Bureau for Asia and the Pacific
RBM	Results-Based Management
RC/RR	Resident Coordinator/Resident Representative
SDG	Sustainable Development Goals
SEA	Strategic Environmental Assessment
SG	Secretary General
TOC	Theory of Change
SRBE	Sustainable Rural Biomass Energy project
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WWF	World Wildlife Fund

EXECUTIVE SUMMARY

The second Independent Country Programme Evaluation (ICPE) of the UNDP in Bhutan, previously called “Assessment of Development Results (ADR)”, was conducted by the Independent Evaluation Office of the United Nations Development Programme (UNDP) in 2017. The objectives of the ADR were to:

- Support the development of the next UNDP country programme document.
- Strengthen UNDP’s accountability to national stakeholders in the programme country.
- Strengthen UNDP’s accountability to the Executive Board.

The ICPE was conducted in close collaboration with the Royal Government of Bhutan, UNDP Bhutan country office, UNDP Office of Audit and Investigations and UNDP Regional Bureau for Asia and the Pacific. The evaluation examined UNDP’s country programme for the period 2014-2018, which included projects from the previous cycles. It assessed UNDP’s contribution to development results by programme outcome, quality of its contribution and its strategic position in the country.

KEY FINDINGS

Finding 1 UNDP has been effective in helping Bhutan integrate more equitable, inclusive and resilient approaches to its efforts towards addressing environmental sustainability, climate change and natural disasters. Capacities for integrated natural resource management, climate change adaptation and mitigation and poverty-environment mainstreaming have been increased. National and local institutions are better prepared to respond to and mitigate climate-induced and other disaster risks.

Finding 2 - With limited resources to be allocated towards employment opportunities for vulnerable groups, UNDP has been less effective in significantly impacting national unemployment figures. Nevertheless, investing in multidimensional approaches to integrate/mainstream poverty reduction and livelihood issues in environment, climate change and disaster risk reduction projects, helped to create some self-employment opportunities and enhance livelihood in the rural areas, especially for women.

Finding 3 - UNDP has been effective in working with the Government to strengthen institutional and coordination capacity for climate change adaptation and disaster risk management at both national and local levels supporting climate change preparedness and adaptation practices, including through strengthened early warning systems and response mechanisms.

Finding 4— Gender equality and women empowerment has been particularly better mainstreamed in the sustainable development area compared to previous years, especially in the larger projects, such as those supported by GEF.

Finding 5 - UNDP has been effective in strengthening laws and policies to address gender discrimination, sensitizing Parliament and building the capacity of the Royal Audit Authorities for auditing from a gender perspective. UNDP has been less successful in significantly impacting women’s participation in the political process and in decision-making positions in the civil service system.

Finding 6 - UNDP has made a commendable contribution to the lives of a few women through income generation and victims’ protection initiatives. Nevertheless, without a holistic theory of change and additional resources, UNDP interventions have limited scale and potential to significantly and sustainably enhance livelihoods.

Finding 7- UNDP has been highly effective in contributing to strengthen national and local institutions for effective fiscal decentralization, integrated planning, monitoring of national five-year plans, and evidence-based decision making. UNDP has prepared the groundwork that will help coordinate the justice

sector and promote citizens' access to legal aid. Central and local governments are better able to deliver effective, equitable public service and communities have become better equipped to exercise principles of democratic governance with a focus on inclusiveness, transparency, accountability, decentralization and evidence-based decision making.

Finding 8 - UNDP has effectively contributed to the consolidation of Bhutan's parliamentary democracy in the context of the 2008 Constitution, helping to strengthen the capacity of the Parliament, the Election Commission, the Royal Audit Authority, the Anti-Corruption Commission and the Office of the Attorney General during their inception years.

Finding 9 - UNDP has successfully partnered with CSOs as effective channels to promote democratic principles and to respond to the needs of vulnerable groups and bringing about positive humanitarian and development results at the local level.

Finding 10 – Overall, UNDP contributions have been highly relevant to the evolution of development in Bhutan. UNDP has operated in alignment with UNDP's mandate, as well as the overarching Bhutanese development concept and vision of Gross National Happiness, and the national needs, development goals, objectives and priorities as expressed in Bhutan's Five-Year Plans.

Finding 11 - In terms of relevance of approaches taken, UNDP support has been consistent with the principles of national ownership and the multidimensional human development approach. Nevertheless, there is room for improving the overall programme strategies, ensuring a clear theory of change in each of the focus areas and refining the documentation of results for improved learning and effectiveness.

Finding 12 – In terms of programmatic efficiency, for the most part, UNDP has been efficient in the timely execution of programmes and delivery of results within deadlines and budgets, but not without challenges. The current programme is a reflection of the Country Office's effort to turn siloes into more integrated and efficient programmes.

Finding 13– Projects have been better designed to achieve desired outcomes than in the past, but weaknesses in project management, monitoring and evaluation have impeded better tracking of performance, measuring of impacts and integration of lessons learned in future programmes.

Finding 14 – In terms of managerial efficiency, despite organizational constraints and the struggle to diversify sources of funding to address the decline in core regular resources due to graduation to MIC status, UNDP has been able to improve its management efficiency ratios and, in 2016, reached its highest total delivery to date.

Finding 15 – In terms of the business environment for gender results, there has been good progress in the implementation of UNDP's gender mainstreaming strategy. UNDP is broadly recognized for its efforts in advancing gender mainstreaming in its work with partners. A good number of the staff has been sensitized in gender issues, and their capacities enhanced to mainstream gender in both programme and operations.

Finding 16 – The sustainability of UNDP contributions vary, but are mostly satisfactory based on good national ownership of results, enhanced capacity, improved legislation and support to the continuation of many UNDP implemented initiatives and achieved results. Where attention to sustainability was limited, it was mainly due to financial constraints, the lack of theories of change and quality results data and evidence to inform decision making, policy and planning efforts, as well as learning for course corrections and improved effectiveness.

Finding 17. UNDP has been a relevant and responsive partner to some emerging national needs, development challenges, Government priorities and significant shifts in Bhutan.

Finding 18 - UNDP's comparative strength in comparison with other international organizations and key added value have been the access to its knowledge network and good practices, especially for capacity building and policy advice; its convening power to bring partners and donors together (RTM/DPG); and its perceived access to funding. Nevertheless, UNDP is often mistaken for a donor and sometimes valued only as such. This represents a risk in the environment of diminishing resources due to graduation, where increasingly UNDP wishes to be recognized more as a development partner than a simple donor.

Finding 19 – UNDP has facilitated a few opportunities of South-South sharing and exchange of practices with other countries. Despite their potential benefits to the participants, many of the initiatives were ad hoc, one-off events.

Finding 20 –UNDP is well positioned to continue to help lead the UN coordination in Bhutan. Nevertheless, clear theories of change are missing for how to make better use of a programmatic approach to DAO and to improve coordination, highlighting cross-cutting issues; strengthening synergies; reinforcing complementarities; and removing duplication to enhance efficiency and effectiveness in achieving focused results.

CONCLUSIONS

Conclusion 1. Strategic Positioning – UNDP has made valuable contributions to the development of Bhutan. However, given the limitation of resources, due to the graduation to MIC status, UNDP has the challenge and the opportunity to reposition itself to ensure it can continue to make significant and sustainable contributions to development. UNDP currently lacks Theories of Change and the Results Based Management framework to more effectively support a MIC with the adequate system thinking to timely inform how much and how best to invest and when, in what sequence, its limited resources to ensure effective and sustainable advances to transformational change.

Conclusion 2. Sustainable development - UNDP has successfully contributed to Bhutan's sustainable and 'green' economic growth being more equitable, inclusive and resilient to climate change and natural disasters. UNDP has been less effective in enhancing poverty reduction by significantly addressing employment opportunities, for vulnerable groups and particularly in urban settings, where unemployment is growing with speedy urbanization. Despite its enhanced attention to integration of environmental and socio-economic development needs, UNDP still lacks a comprehensive Theory of change that integrates environmental management, climate and disaster resilience with measures against inequalities, unemployment and livelihood issues, with an effective focus on vulnerable groups and youth.

Conclusion 3. Democratic governance – UNDP has significantly contributed to the consolidation of Bhutan's parliamentary democracy. It has helped governance institutions and communities exercise the principles of democratic governance at national and local levels, with a focus on inclusiveness, transparency, accountability and evidence-based decision-making. UNDP remains well positioned to provide further contributions to institutional strengthening mainly of civil service, local governance, Parliament's oversight role and Monitoring and Evaluation of the 12th FYP, but has yet to develop an adequate theory of change for when it is appropriate to invest short term and when there is need to focus more medium to long-term for sustainable governance outcomes.

Conclusion 4. Gender equality and women's empowerment – UNDP is broadly recognized for its efforts in advancing gender mainstreaming in its work with partners. It has made important contributions to the development of legal and policy frameworks on gender equality. It has also strengthened communities and institutions to enhance gender equality and empowerment of women, but

has been less successful in mobilizing sufficient resources and support to significantly impact women's participation in the political process as well as in decision making positions in the civil service system and to impact change towards sustainably preventing and eliminating gender-based violence and women's economic empowerment.

Conclusion 5. Funding - UNDP has developed a relatively realistic resource mobilization strategy but is struggling to create the necessary incentives to ensure its implementation and diversify sources of funding. UNDP has not yet effectively engaged with the private sector in Bhutan and in the region as a source of co-financing. And while some progress has been made, as reflected in the slight increase of Government Cost Sharing, UNDP has not been able to fully convince current and potential partners that Government Cost Sharing can be an advantageous way to support Government implementing their own priorities efficiently and effectively.

Conclusion 6. Human and Financial Management – UNDP has been able to improve its management efficiency ratio and results delivery. Nevertheless, financial and organizational constraints have reduced the operational team to its leanest. The current operational structure is effective, but not necessarily sustainable. Morale and motivation could suffer in the long run if there is no sign of additional support or additional efficiencies. Programme staff has also had to adapt to a new structure and would profit from additional training and mentoring to more adequately support UNDP strategic positioning and upstream policy advisory services.

Conclusion 7. Coordination – Delivering as One in Bhutan has not led to much increased coherence of programmes or the agencies working more effectively together to highlight cross-cutting issues, strengthen synergies, reinforce complementarities, and remove duplication to enhance efficiency and effectiveness in achieving focused results. There is still scope for developing more effective results oriented management practices and mechanisms to build bridges and promote harmonization between UNDP, other UN agencies and its development partners.

RECOMMENDATIONS

Recommendation 1. Strategic Positioning - Given the graduation to MIC status, Bhutan Country Office will need to strengthen its strategy to better support Bhutan deal with development challenges ahead. This will require preparing the Country Office for even more upstream policy work and gradually scale up Government Cost Sharing, private sector and other innovative Co-financing (i.e. implement WB/ADB loans), for downstream work. Furthermore, UNDP will need to develop clear Theories of Change with the proper system thinking to ensure more efficient and effective investment of its limited resources and the sustainability of results. Focus should be on capacity development and strengthening of cross-sectorial synergies by integrating the areas where it can most add values to contribute to the SDGs, with special focus on leaving no one behind. There should also be even fewer or more focused projects. Piecemeal investment should be avoided, the impact of it being limited with beneficiaries and partners tending to criticize more than value the results. The assistance from the regional bureau and other Country Offices will be key to help Bhutan Country Office learn from the experiences in other countries that recently graduated.

Recommendation 2. Sustainable Development - UNDP should reconsider the rapid urbanization and consequently growing environmental and social vulnerabilities in its work to address environmental, climate change and disaster risks, livelihood and employment issues in urban areas. The approach should be comprehensive, increasingly making connections between rural livelihoods

and urban systems, including through supporting job creation opportunities. A theory of change will be needed that integrates environmental management, climate and disaster resilience with measures against inequalities, unemployment and livelihood issues through innovations and technologies, with a clear focus on vulnerable groups and youth. To help with these linkages, UNDP should enhance partnerships with Civil Society Organizations, now that there is a clear recognition of their role in development and that existing partnerships have shown greater adaptability and responsiveness to grassroots-level issues. It should also look at engaging with the private sector, in the country and regionally, specifically on creating green jobs in three of the five Economic Development Policy jewels Cottage and Small Industries, Tourism and Agriculture – with special attention to generating employment and incomes among poor and vulnerable groups including women and the youth.

Recommendation 3. Democratic Governance – UNDP should develop a theory of change for immediate- and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening. UNDP is well positioned to put emphasis on supporting to improve accountability in the delivering of the 12th FYP. UNDP may focus on internal accountability through the strengthening of internal monitoring of the 12th FYP and/or external evaluation through the Parliament and community participation. Either option will need to be further supported by local public administration reform in the context of decentralization to align local government agencies’ and officials’ mandate and performance measurements with GNH and the SDGs.

Recommendation 4. Gender equality and Women’s Empowerment - Given the challenge to fund gender equality and women’s empowerment initiatives, when going beyond the expected gender mainstreaming, UNDP should focus its limited resources mostly towards more sustainable upstream contributions. If and when working downstream, UNDP should focus on capacity development for women’s empowerment in the areas of decision-making and economic development, but in close alignment with UN Women and other agencies to avoid duplication and capitalize on synergies.

Recommendation 5. Funding - UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy. It should include proper training of select staff to engage with the private sector in Bhutan and in the region as a source of co-financing and to more clearly and effectively explain the mechanisms and advantages of Government Cost Sharing to current and potential partners in Bhutan.

Recommendation 6. Human and Financial Management - UNDP should continue to invest in internal training and mentoring and encourage backstopping roles within and across teams to help improve work and life balance, as well as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services. Staff should also commit to taking initiative to apply the learning and management should assess performance accordingly, as an effectively managed office is about teamwork which flows both ways, it is about staff having an entrepreneurial spirit, and not just about management providing opportunities. UNDP can also further improve efficiency by, when feasible, seeking services within the other UN agencies, instead of hiring consultants, to contribute to the implementation of components where they have a competitive advantage, to stimulate joint work, reduce costs and capitalize on synergies.

Recommendation 7. Coordination - UNDP is uniquely well positioned to continue to help lead the UN coordination in Bhutan and the integration among the UN agencies of SDG advocacy, prioritizing the GNH concept and objectives while advancing the Sustainable Development Goals focusing on leaving no one behind. However, this will require implementing the UN Secretary General’s recommendations on repositioning the UN System to improve coordination and to develop a clear Theory of Change for a more focused programmatic approach to Delivering as One.

Furthermore, the UN agencies would benefit from a common Monitoring and Evaluation officer to ensure that a common planning, monitoring and reporting framework exist, with improved attention to Results Based Management with fewer indicators with more adequate baselines. Such a position would reduce duplication of activities and transaction costs and enhance knowledge-sharing and synergies, not just to prove results but to improve results. The UN coordination should also invest in a strategy to better leverage financing for development and insist in joint agencies financing practices, especially for analysis, innovation (piloting) and advocacy for the Sustainable Development Goals. Furthermore, the UN coordination will need to improve communication within agencies, especially about funding opportunities, as well as ensuring the UNCT is better prepared to help Bhutan if/when natural disasters strike.

Chapter 1. Introduction

1. This chapter presents the purpose of the evaluation, an overview of Bhutan’s development context and United Nations Development Programme (UNDP)’s country programmes and the evaluation methodology.

1.1 Purpose, objectives and scope of the evaluation

2. The Independent Evaluation Office (IEO) of the United Nations Development Program (UNDP) conducted an “Independent Country Programme Evaluation (ICPE)” in Bhutan in 2017. The ICPE was carried out within the overall provisions contained in the UNDP Evaluation Policy.² The purpose of the evaluation was to support the development of the next UNDP Country Programme Document; strengthen accountability of UNDP to national stakeholders; and strengthen accountability of UNDP to the Executive Board.
3. This is the second ICPE conducted in Bhutan, previously called “Assessment of Development Results (ADR).” The evaluation examined UNDP Bhutan’s current programme cycle for the period 2014-2018, but given that the first Bhutan country programme evaluation was conducted in 2007 (ADR), this evaluation also followed up on the ADR recommendations, considering the cumulative results of the previous programme cycle 2010 - 2014. Particular attention was paid to on-going projects carried on from the past programme cycle, in order to better assess the results achieved over time.
4. The objective of the evaluation is i) to assess UNDP’s contribution to development results through its programmes; and ii) to assess the quality of its contribution. The ICPE was conducted in close collaboration with the Government of Bhutan, UNDP Bhutan country office, UNDP Office of Audit and Investigations and UNDP Regional Bureau for Asia and the Pacific. Results of the ICPE are expected to feed into the development of the new country programme, 2019 - 2023.

1.2 Overview of the national development context and challenges

5. The Kingdom of Bhutan is a small, landlocked country, located entirely within the Himalayas, bordered by China to the north and India to the south, with a total population of 789,207.³ The government became a Democratic Constitutional Monarchy⁴ in 2008, where His Majesty the King is the Head of State and the Prime Minister is the Head of Government. Since then, Bhutan successfully conducted two national elections and democratically formed a government.
6. The concept of ‘Gross National Happiness’ in Bhutan is key to promoting a balanced and holistic approach to development that encompasses good governance, environmental conservation, cultural preservation and equitable socio-economic development, in addition to traditional socioeconomic indicators.
7. After an economic slowdown in 2013, Bhutan’s GDP rebounded to a growth rate of 6.49 percent in 2015, 0.75 percentage points higher than the 2014 growth rate.⁵ This economic growth is projected to

² ‘UNDP Evaluation Policy (2016), DP/2016/23, United Nations’. The ICPE was also conducted in adherence to the ‘Norms and the Standards for Evaluation, United Nations Evaluation Group’.

³ 2017, National Statistics Bureau, Royal Government of Bhutan:

<http://www.nsb.gov.bt/main/main.php#&slider1=4> Based on NSB estimates for 2017 – the results of the 2017 census are expected to be published mid-2018.

⁴ The Constitution of the Kingdom of Bhutan,

⁵ National Statistics Bureau, Royal Government of Bhutan, ‘National Accounts Statistics 2016,’ September 2016: <http://www.nsb.gov.bt/publication/files/pub1rt4291ni.pdf>.

continue, reaching 6.8 percent in 2017.⁶ The economy of Bhutan is largely dependent on the sustainability of its natural resources, with hydropower, tourism, agriculture and forestry as the main sources of revenue. The economy of Bhutan ties closely to India through monetary and trade linkages.

8. The private sector is still small, state-centric and relatively undeveloped in the country, but with urban unemployment and the limited scope for expanding the public sector, the government sees the private sector as the engine of Bhutan's future growth as a growing source of employment for the rapidly increasing number of Bhutanese graduating and entering the workforce.
9. Bhutan has shown good progress on social indicators. The GINI coefficient of Bhutan in 2013 was 0.381,⁷ indicating that the country has made progress on inequality since 2003, when the index had a value of 0.467. Nevertheless, Bhutan's 2015 Human Development Index was 0.607, ranking it 132nd out of 159 countries.⁸
10. Regarding gender, despite progress, there are still significant gender challenges in Bhutan, with efforts underway to address legal and policy framework obstacles and/or gaps in promoting gender equality and women's empowerment. Domestic violence is an issue as well as women's lower literacy rates, under-representation in decision-making and leadership positions and their lower participation in the formal labour force.
11. The Government has sought to strengthen democratic governance and decentralization to improve effective service delivery and resilience to economic shocks and natural hazards. The Constitution of the Kingdom of Bhutan, also adopted in 2008, serves as a framework for the democratic political system. At the central level, the government consists of various ministries and non-ministerial bodies. At sub-national and local levels there are altogether 20 *dzongkhag* administrations, 205 *gewogs*, five *thromdes* (municipalities) and other local elected bodies delivering government development programs and public services. The legislative system is comprised of the National Council or *Gyalyong Tshogde* (Upper House) and the National Assembly or *Gyalyong Tshogdu* (Lower House). The judiciary system is made up of a Supreme Court, a High Court, and a network of District Courts and *Dungkhag* (or sub-district) Courts. There are some institutional building challenges, including the need for effective and equitable delivery of legal aid.
12. Bhutan developed the Civil Society Organizations Act in 2007 and established the Civil Society Organization Authority in 2009 to oversee CSOs. In 2013, Bhutan had thirty registered CSOs and by 2017 that number increased to forty-eight.⁹
13. Bhutan faces key environmental challenges arising from several interdependent factors such as frequent natural disasters, climate change and urbanization that further challenge social outcomes. The glacial lakes outburst floods is one of the major threats faced by the country, as it has hundreds of glaciers and glacial lakes situated on the high mountain catchment areas, 25 of which are considered to present a high risk of Glacial Lake Outburst Floods (GLOF)¹⁰. Bhutan also lies on a seismically active zone on the Himalayan and is vulnerable to major earthquakes. Such threats of natural hazards, as well as

⁶ World Bank, 'Bhutan – Global Economic Prospects': <https://data.worldbank.org/country/bhutan>.

⁷ World Bank, "World Development Indicators 2013." Washington, D.C.: World Bank. Data retrieved by UNDP Human Development Report Office in October 2013: <http://hdr.undp.org/en/content/income-gini-coefficient>

⁸ UNDP, 'Human Development Report: Briefing note for countries on the 2016 Human Development Report – Bhutan.'

⁹ Bhutan CSO authority <http://www.csoa.org.bt/content/pageContent.php?id=39>

¹⁰ Royal Government of Bhutan & the United Nations in Bhutan, 'Gross National Happiness for the Global Goals. Technical Background Paper for the Thirteenth-Round Table Meeting between Bhutan and its Development Partners,' March 2017.

climate change impacts, could exert severe consequences for Bhutan's highly nature-dependent livelihoods and economy. In addition, poor waste management practices have become an emerging issue with serious risks to public health as well as environment.

14. Bhutan's likely graduation from LDC status, and its current middle income country (MIC) status has led to a significant shift in the manner of how Official Development Assistance (ODA) has evolved. The Government of India, Japan and Austria remain the bedrock of the bilateral donors as the country sees a decline of the other traditional bilateral donors.
15. In recent years, economic diversification has emerged as one of the key national development priorities alongside issues such as youth employment and rapid urbanization as well as natural resource management and climate and disaster resilience.

1.3 Overview of UNDP programme

16. Bhutan became one of the pilot countries for the UN "Delivering as One (DAO)" in 2008. The current common country programme of UNDP, UNFPA and UNICEF covers 2014-2018, with a focus on (1) sustainable development, (2) essential social services, (3) gender equality, and (4) democratic governance and participation. The common country programme reflects the strategic priorities and approach of a 'Delivering as One' Programme to: (a) highlight cross-cutting issues; (b) strengthen synergies; (c) reinforce complementarities; and (d) remove duplication, in order to enhance efficiency and effectiveness in achieving focused results. The "One programme" aimed to reduce the review burden for Government partners and allow participating organizations to harmonize their efforts and articulate areas of cooperation.
17. The UNDP programme contributes to all outcomes of the CCPD, but focuses on outcomes 1, 3 and 4, in a cross-outcome, integrated and multidimensional approach. **Outcome 1** covers sustainable development, including aspects of Poverty Reduction and Livelihoods, Environmental Sustainability and Disaster Risk Management. **Outcome 3** covers aspects of legal and policy environment for advancing rights and protection of women and children and gender mainstreaming in key ministries, autonomous bodies, non-governmental organizations and private companies.¹¹ **Outcome 4** covers democratic governance aspects, including components of development planning, mainstreaming of Agenda 2030 and the Sustainable Development Goals, as well as participation, justice, inclusiveness, transparency, and the equitable participation of women and youth in the decision-making processes at the national and local levels. **Outcome 2**, on social services, is not part of UNDP's focus, therefore, it is not being covered by this evaluation.

¹¹ Gender equality is an UNDAF outcome; UNDP only focuses on the first two outputs. Output 3.1 Legal and policy environment for advancing rights and protection of women strengthened. Output 3.2 Gender mainstreaming in key ministries, autonomous bodies, non-governmental organizations and private companies strengthened. Output 3.3 Boys, men, girls and women have increased awareness and display positive attitudes towards preventing and eliminating gender-based violence.

Table 1: Country Programme outcomes and indicative resources (2014-2018)

Country Programme Outcome		Indicative resources (US\$)
CCPD Outcome 1 UNDP Outcome 28	Sustainable and green economic growth that is equitable, inclusive, climate and disaster resilient and promotes poverty reduction, and employment opportunities particularly for vulnerable groups enhanced	21,261,000
CCPD Outcome 3 UNDP Outcome 29	Communities and institutions are strengthened at all levels to achieve enhanced gender equality and the empowerment and protection of women and children.	700,000
CCPD Outcome 4 UNDP Outcome 30	Governance institutions and communities exercise the principles of democratic governance at the national and local levels with a focus on inclusiveness, transparency, accountability and evidence-based decision-making.	4,239,000
Total		26,200,000

Source: Common Country Programme Document for Bhutan 2014-2018

1.4 Evaluation methodology

18. The evaluation followed the methodology detailed in the terms of reference (Annex 1) comprising of two components: (i) assessment of UNDP's contribution by thematic/programme area, and (ii) assessment of the quality of this contribution. The ICPE presents its findings and assessment according to the set criteria provided below, based on an analysis by CCPD outcomes, in order to generate findings, broad conclusions and recommendations for future action:¹²

19. **UNDP's contribution by programme areas.** The ICPE assesses the effectiveness of UNDP in contributing to development results of Bhutan through its programme activities. Specific attention is paid to assess the contribution related to UNDP's overall vision of helping countries achieve poverty eradication, reducing inequalities, vulnerabilities, and exclusion, and its contribution to furthering gender equality and women's empowerment.¹³

20. **The quality of UNDP's contribution.** The ICPE also assesses the quality of UNDP's contribution based on the following criteria:

- a) Relevance of UNDP's projects and outcomes to the country's needs and national priorities and UNDP mandate. The relevance analysis was based on the analysis of the context, national strategies and policy documents, UNDP strategies and interventions, and stakeholders' interviews.
- b) Efficiency of UNDP's interventions in terms of use of human and financial resources used. The analysis of efficiency was based mainly on data available in the UNDP financial management system (ATLAS), on programme and project documents, annual work plans and interviews.
- c) Sustainability of the results to which UNDP contributed. In order to analyze sustainability, the evaluation looked for evidence of sustainable enhanced capacity, and in the case of ongoing

¹² Further elaboration of the criteria can be found in ICPE Manual 2011.

¹³ Using the UN System-Wide Action Plan (UN SWAP) to improve gender equality and the empowerment of women across the UN system.

www.unwomen.org/~media/Headquarters/Attachments/Sections/Howpercent20Wepercent20Work/UNSystemCoordination/UN-SWAP-Framework-Dec-2012.pdf

initiatives, assessed the likelihood of real changes occurring and remaining after UNDP support coming to an end.

21. **Data collection and analysis:** The evaluation used data from primary and secondary sources, obtained through a desk review of documentation and semi-structured interviews with key stakeholders, including beneficiaries, partners and managers. Special attention was given to integrate a gender equality responsive approach to the evaluation methods and reporting, and, in their analysis of outcome results, the evaluation team used the five Gender Results Effectiveness Scale (GRES) categories¹⁴ to broadly describe the type of gender results coming out of the selected projects, including the associate evidence supporting that designation. In order to identify the gender profile of the Country Office, and in addition to applying GRES categories to project results, the evaluation team collected and analysed gender marker¹⁵ data and gender parity statistics for the country office. This data was used to assess whether the country office's management, structure and projects support the delivery of equitable development benefits between men and women, and strengthen Bhutan's efforts in gender mainstreaming in its development policies.
22. A multi-stakeholder approach was followed and interviews included government representatives, civil-society organizations, private-sector representatives, UN agencies, multilateral organizations, bilateral donors, and beneficiaries of the programme. The evaluation team interviewed 136 UNDP staff, partners, stakeholders and beneficiaries, and conducted 15 project site visits outside of Bhutan's capital (see Annex 2). Focus groups were used to consult some groups of beneficiaries, staff and partners as appropriate. Overall, the evaluation team reviewed a portfolio of 40 selected projects implemented over the current and previous programme cycles (see Annex 4). The selection criteria included budget, balance in programme components and availability of lessons to be learned. Data and information collected from various sources and means were triangulated to strengthen the validity of findings.
23. To help assess the Country Office's operational and programme management capacity and efficiency, the IEO benefitted from the inputs of the OAI's team that audited the Bhutan Country Office from 4 to 14th July 2017. The IEO used the audit's planning documents to identify key efficiency areas and organizational processes that potentially affected UNDP's programme.
24. The ICPE relied on a contribution analysis approach, focused on understanding the linkages of observed results, with limited counterfactual analysis, without experimental control rigour. To strengthen the methodological rigour, the team used causal tracing strategies for a non-experimental design consisting of arguments for causal relations when possible, trying as much as possible to logically rule out alternative or rival explanations, seeking evidence through temporal precedence¹⁶, constant conjunctions¹⁷, the strength of associations¹⁸, biological gradient¹⁹, coherence²⁰ and analogies²¹.

¹⁴ Gender negative, gender blind, gender targeted, gender responsive and gender transformative,

¹⁵ UNDP's gender marker is a toll that requires managers to rate projects against a four-point scale indicating its contribution toward the achievement of gender equality.

¹⁶ The observed effect happened only after the intervention began, not before.

¹⁷ The effect was observed everywhere the intervention was implemented.

¹⁸ The observed change was much stronger where the programme was implemented than it was where other possible causes were present.

¹⁹ The more the treatment received, the larger the observed change.

²⁰ The relationship between the intervention and the observed change fits logically with other things we know about the intervention and the outcome.

²¹ The pattern between the intervention and the observed changes resembles the well-established pattern between a related intervention and its effects.

25. The IEO and the country office identified a list of background and programme-related documents. The following secondary data was reviewed: background documents on the national context, documents prepared by international partners during the period under review and documents prepared by UN system agencies; programme plans and frameworks; progress reports; monitoring self-assessments such as the yearly UNDP Results Oriented Annual Reports (ROARs); and evaluations conducted by the country office and partners. Analysis was based on triangulation and synthesis from all these data sources together with interviews and focus group data.
26. **Evaluation process and management:** The evaluation preparation and design started in May 2017. In June, the Evaluation team members conducted desk review of reference material, and prepared a summary of the context and other evaluative evidence, and identified the outcomes' theories of change, outcome-specific evaluation questions, gaps and issues that would require validation during the field-based phase of data collection. Data collection was carried out in July, after which outcome analysis papers were prepared and synthesized into a draft ICPE report in August. The draft report was internally reviewed in September by the IEO peer review committee and the International Evaluation Advisory Panel members assigned for this evaluation, then shared with the country office and the RBAP in October 2017. The revised report and an audit trail of comments were shared with the country office and the RBAP in November 2017. The semi-final draft report was shared with the national stakeholders and a joint stakeholder workshop was organized through a videoconference in December 2017, co-hosted by the Government of Bhutan, UNDP Bhutan and the IEO. The management response to the recommendations was prepared by the country office and the RBAP and the report was finalized after comments from the stakeholders were considered.

1.5 Study limitations

27. Taking into account that the ICPE started in May and needed to be finalized in time for the preparation of the 2019-2023 Country Programme Document, the IEO followed an abridged process. Additional challenges included, the lack of the Theories of Change and of outcome evaluations during the CCPD period, forcing the evaluation team to rely more on data collected in the field and at the country office, to ensure information used in the ICPE was adequate. In addition, the short duration of the data collection activities, combined with difficult meteorological conditions affecting roads during Bhutan's rainy season, further challenged the evaluation's team ability to visit more projects outside of the capital. Time availability and accessibility of project sites were therefore additional criteria for selecting project visits.

1.6 Organization of the report

28. Following the present chapter, the report contains a description of the results in terms of the contribution to development in two chapters: effectiveness (chapter 2) and relevance, efficiency and sustainability (chapter 3). Thereafter, the report presents an analysis of the strategic positioning of UNDP (chapter 4) and the conclusions, recommendations and management response (chapter 5).

Chapter 2. Effectiveness of UNDP's contributions to development results

29. This chapter outlines the effectiveness of UNDP's key development contributions in Bhutan, under the two key programme areas of *Sustainable Development* and *Democratic Governance*, and the three CCPD outcomes UNDP contributed to during the current programme. *Outcome 1* covers sustainable development, including aspects of poverty reduction and livelihoods, environmental sustainability, climate change adaptation/ mitigation, and disaster risk management. *Outcome 3* covers aspects of democratic governance focusing on the strengthening of communities and institutions to achieve enhanced gender equality and the empowerment and protection of women. *Outcome 4* also covers democratic governance aspects, focusing on development planning, justice, inclusiveness, transparency and mainstreaming of the Sustainable Development Goals, including gender equality and women's empowerment.

2.1 Sustainable Development

Outcome 1: By 2018, sustainable and 'green' economic growth that is equitable, inclusive, resilient to climate change and natural disasters, and promotes poverty reduction and employment opportunities, particularly for vulnerable groups, is enhanced.

30. UNDP contributions to sustainable development in pursuit of CCPD outcome 1 has focused on interventions in support of poverty reduction and livelihoods, environmental sustainability, climate change adaptation/ mitigation, and disaster risk management. It includes aspects of the relationship between poverty and environment, and how climate and disaster resilience affects poverty and employment opportunity, as well as green, equitable, inclusive economic growth particularly for vulnerable groups, with special attention to gender equality and women's empowerment.
31. According to the CCPD, in contribution to *outcome 1*, UNDP was to provide policy support, capacity development and innovative actions for natural resource management, increased trade opportunities and access to sustainable employment. Linkages between environmental management and income-generation would be strengthened by promoting green businesses and income-generating opportunities with particular attention to improving the lives of vulnerable people, including youth and women, in partnership with the Government, civil society and private sector. Targeted rural communities would be provided access to knowledge and skills to develop business plans and avail micro-credit and market opportunities. Institutional capacity would be strengthened to develop value chains to promote Bhutanese products, trade diversification and inclusive growth.

Finding 1 UNDP has been effective in helping Bhutan integrate more equitable, inclusive and resilient approaches to its efforts towards addressing environmental sustainability, climate change and natural disasters. Capacities for integrated natural resource management, climate change adaptation and mitigation and poverty-environment mainstreaming have been increased. National and local institutions are better prepared to respond to and mitigate climate-induced and other disaster risks.

32. UNDP has been effective in helping Bhutan respond to the challenges of environmental conservation and sustainability, by aiming to strike a balance between upstream policy work and on-the-ground project interventions. UNDP successfully partnered with the Department of Renewable Energy (DRE), to conceive and implement sustainable rural biomass energy initiatives through community-based technological interventions. UNDP and DRE have contributed to the development of Renewable

Energy Master Plan for the RGoB, together with efforts to improve the knowledge, awareness and capacities of policy makers on renewable energy. These initiatives achieved good results in mitigating GHG emissions and reducing fuel wood consumption in rural households. 161,343 tons of fuelwood are estimated to have been saved through provision of fuel-efficient stoves. This amounts to around 17.7 percent of the country's total annual fuelwood consumption²². In addition, more than 110 hectares of fuelwood plantations were secured. These initiatives are expected to have particularly benefitted rural women, who generally bear the responsibility for cooking and fuelwood collection.

33. UNDP has also been effective in helping to enhance agrobiodiversity conservation through a combination of scientific, policy and social interventions through the Integrated Livestock and Crop Conservation Project (ILCCP). The project helped to build awareness on the importance of Bhutan's indigenous agrobiodiversity, and strengthened Bhutan's policy framework and institutional capacity to conserve it. One of the key results of the project was the formulation of a "National Food Security and Nutrition Policy", thereby including key areas for mainstreaming agro-biodiversity into public and private agricultural sector initiatives. By helping to increase yields and develop more diversified products and markets, it made traditional crops and livestock breeds more attractive to farmers. The ILCCP linked conservation of traditional crop varieties, for example, buckwheat in Bumthang, with income-generation through a community-based approach involving collective production, marketing and income management.
34. UNDP's work to enhance access to genetic resources and benefit sharing (ABS) from commercial utilization has significantly contributed to promoting the conservation and sustainable use of biodiversity, including traditional knowledge, through sharing of resultant economic benefits. This resulted in the development of a national interim ABS Policy in 2015 and a Biodiversity Bill of Bhutan in 2016, in line with the NBSAP 2014 and Nagoya Protocol. These efforts helped build national capacities related to biodiversity, and promoted engagement with communities, private sector companies and research organizations to strengthen natural resource management and increase opportunities to prosper from traditional knowledge and sustainable use of biological resources.
35. UNDP has also effectively collaborated with the Government to address climate change adaptation priorities identified through the process of National Adaptation Program of Action (NAPA), first completed in 2006 and subsequently updated in 2012. With support from UNDP, the NAPA process was led and coordinated by the National Environment Commission, closely engaging various stakeholders. A trilogy of NAPA projects was conceived and funds mobilized for their implementation; NAPA I project was active from 2008 to 2012, NAPA II project commenced in 2014 and is ongoing, and NAPA III project got launched in November 2017.

Finding 2 - With limited resources to be allocated towards employment opportunities for vulnerable groups, UNDP has been less effective in significantly impacting national unemployment figures. Nevertheless, investing in multidimensional approaches to integrate/mainstream poverty reduction and livelihood issues in environment, climate change and disaster risk reduction projects, helped to create some self-employment opportunities and enhance livelihood in the rural areas, especially for women.

36. Despite UNDP efforts, together with Government and other partners, to promote more pro-poor and gender-sensitive trade and employment opportunities, national unemployment figures have progressed

²² According to the fuelwood consumption assessment and baseline health impact study commissioned by the Sustainable Rural Biomass Energy Project, per capita annual fuelwood consumption was estimated at 1.17 tons. This translates to total annual fuelwood consumption of 912,209 tons based on 2017 projected population figure of the National Statistics Bureau.

at a slow pace, in a context where the country's private sector is still predominantly dependent on the state for its survival. UNDP outcome indicator for youth unemployment in the CCPD 2014-2018 was set at a target of 5 percent (for both men and women) against the baseline of 7.3 percent for men and 7.2 percent for women. Youth unemployment grew to 10.7 percent (8.2 percent for men and 12.7 percent for women) as of 2015.²³

37. UNDP contributions to promoting access specifically to sustainable employment have been more thinly resourced, fragmented and largely ad hoc. Only about 13 percent of the sustainable development projects and 8.5 percent of the resources mobilized for the sustainable development outcome pertained specifically to employment generation. This limited resource was spread across a wide range of relevant but small-scale activities. Nevertheless, projects in environment and other areas contributed by using multidimensional approaches focusing on supporting renewable natural resources-based livelihoods to generate employment opportunities particularly for women in rural areas.
38. Statistically, unemployment is predominantly an urban issue, with 6.3 percent unemployment rate in urban areas compared to 1 percent in rural areas, but farmers in rural areas, being self-employed, do not fall in unemployment statistics. UNDP projects for poverty reduction and livelihoods therefore focused on rural communities, where the most poor and vulnerable women and men still reside. Agriculture provides livelihoods for 60% of people in Bhutan²⁴, farmers are the poorest and 'least happy' in Bhutan, more women are employed in agriculture than men, and women are 'less happy' than men overall in Bhutan.²⁵ UNDP's assumption was that targeted interventions to ensure no-one is left behind would need to focus on improving the livelihoods of the poorest – most likely those currently outside formal job statistics – while at the same time seeking to support the creation of new formal jobs.
39. UNDP's work focused more on creating self-employment opportunity and ensuring livelihood security. More than US \$ 4 million was spent on landslide stabilization work at Phuntsholing safeguarding the most important economic corridor. Likewise the work on GLOF has ensured the livelihood security of the farmers at Punakha, Wangdi Phodrang and the low lying areas of Dagana District including safe guarding the lives and economic assets of the urban and rural communities in Punakha and Wangdi. UNDP's NAPA III now includes a \$10m livelihoods component, focusing on strengthening the resilience of and options for community livelihoods, to build better market access, branding, skills, and value chains towards the creation of more formal employment opportunities.
40. Other key initiatives included: collaboration with the Ministry of Labour and Human Resources on an MDG Acceleration Framework for Youth Employment; employment generation initiatives focusing on vocational training, multi-sectoral advocacy and awareness on entrepreneurship and training of MoLHR staff in policy analysis and strategic planning; support for labour market analysis and studies, project proposal development for village-based innovative income-generating activities, raw material banks for arts and crafts, and marketing promotion, revision of the Brand Bhutan Strategy including value chain analysis of handicraft products, advocacy and marketing assessment of Seal of Quality/Seal of Excellence. Training on business plan development and capacity development of local artisans and producers were also supported.
41. In spite of its limited resources UNDP has demonstrated capacity to mobilize resources in a difficult environment, and adopt a more multidimensional approach to how those resources are deployed and managed to achieve results, in line with what is demanded by the integrated nature of the SDGs. There was good integration of livelihoods and poverty reduction elements in climate change and

²³ Labour Force Survey Report 2015 of the Ministry of Labor and Human Resources,

²⁴ *GCF project proposal attached for source – File name:3FP-UNDP-230317-57)*

²⁵ GNH 2015 survey <http://www.grossnationalhappiness.com/wp-content/uploads/2017/01/Final-GNH-Report-jp-21.3.17-ilovepdf-compressed.pdf>

environmental initiatives in terms of the design of interventions and site selection. The larger projects have been particularly subjected to social and environmental screening to ensure that interventions were designed to contribute to enhanced socio-economic benefits for the local communities, especially the poor and vulnerable, including women, whilst mitigating potential adverse impacts to them.

42. The UNDP/UNEP Poverty-Environment Initiative (PEI) has been particularly effective in working with the Gross National Happiness Commission (GNHC) and the Department of Local Governance to enhance capacity for mainstreaming. A central-level Mainstreaming Reference Group (MRG) was formed and their capacity was built to sensitize and guide sectoral and local government officials and facilitate GECDP²⁶ mainstreaming in central, sectoral and local development plans. This contributed to the development of an ECP- mainstreamed ‘green’ 11th Five-year Plan (FYP). The MRG mechanism is being passed down to the sub-national level with the formation of *dzongkhag* MRG in all the *dzongkhags* and support to implementation of MRG Action Plans in 10 selected *dzongkhags*. However, a clear and firm institutional framework and in-depth hands-on knowledge and skills are currently lacking for the MRG mechanism to function effectively at the sub-national/local level. The PEI has also been supporting the GNHC with its Rural Economic Advancement Program since the previous 10th FYP to reduce extreme poverty among the poorest of the poor communities through village development planning and interventions to enhance income-generation and productive capacities of the communities focusing on agriculture-based livelihoods through input supply, market access and community skills development.
43. A key factor that could be influencing the limited progress of UNDP towards making a more significant contribution to addressing unemployment in Bhutan, and should be further studied, is the fact that Bhutan still has a state-centric, small and relatively underdeveloped private sector. Unleashing its growth potential will require identifying and acting on key constraints to its development. There is a role for the UN in supporting the development of the private sector, particularly cottage, small and medium enterprises, for increased employment opportunities and poverty reduction impact. NAPA III has been designed accordingly to enhance community livelihoods and renewable natural resources-based employment, as well as the CO’s new pipeline of Social Impact Investment projects, commencing with collaboration with Tarayana Foundation²⁷. There is also space to collaborate with the nascent private sector to support its responsible growth – as in the case of UNDP collaboration with Bio Bhutan and Menzhong Pharmaceuticals in the Access to Genetic Resources and Benefit Sharing project. However, more needs to be done in this space and it should be further explored by the country office.

Finding 3 - UNDP has been effective in working with the Government to strengthen institutional and coordination capacity for climate change adaptation and disaster risk management at both national and local levels supporting climate change preparedness and adaptation practices, including through strengthened early warning systems and response mechanisms.

44. Mobilizing funds from the Trust Funds managed by the Global Environment Facility, UNDP has made significant contributions to implement climate change adaptation priorities. UNDP has also shown a high level of responsiveness to disaster events, with expeditious support for recovery and reconstruction

²⁶ “Gender, Environment, Climate Change, Disaster and Poverty” refers to a set of cross-cutting issues for mainstreaming in development policies, plans and programs at central and local levels. (support and multi-donor funding, including UNDP core resources, were provided through the PEI programme).

²⁷ UNSIF proposal under consideration for funding will see UNDP and Tarayana Rural Crafts (TRC) collaborate to scale artisan support projects in operation for 4 years now. A sustainability plan was developed to wean this initiative from the foundation’s core resources to operate and manage as a social enterprise. This project aims to transform the existing TRC into a self-sustaining enterprise that will eventually have positive impact on the rural communities and will also.

in the aftermath of the earthquakes in 2009 and 2011, and rapid post-disaster needs assessment and recovery of Gelephu infiltration gallery that was damaged by 2016 summer floods.

45. The NAPA I addressed climate change risks and vulnerabilities from glacial lake outburst floods in Punakha-Wangdue and Chamkhar valleys, and effectively demonstrated how glacial lake outburst floods risks and vulnerabilities can be significantly reduced by artificial lowering of the potentially dangerous Thorthormi glacial lake, institution of automated early warning systems, and strengthening capacity for community-based disaster risk management.
46. The NAPA-II, ongoing, is implementing geotechnical engineering works to mitigate major landslide and flood risks in the Phuentsholing/Pasakha economic hub, and conducting geotechnical assessments in selected areas which are highly prone to recurrent landslides. It has instituted climate-resilient water harvesting systems in 20 water-scarce communities, and has set up a country-wide network of 99 automated hydro-met stations, significantly improving the national capacity for weather information, forecasting and early warning.
47. Building on the results of NAPA I and II, the NAPA-III recently received GEF approval and has been designed to integrate climate change adaptation, biodiversity conservation and livelihood objectives using a landscape-based approach²⁸ to enhance the environmental sustainability and climate resilience of agricultural and forest landscapes, and community livelihoods. The project is made of three major components: (a) strengthening of planning, monitoring and institutional frameworks and capacity for environmentally sustainable and climate-resilient management of agricultural and forest landscapes; (b) improved management of biological corridors and protected areas in the project landscapes for enhanced climate resilience and ecological functionality; and (c) community livelihoods that are environmentally sustainable and resilient to climate adversities including through sustainable land management and climate-smart practices, enhanced value chain and access to markets, and mitigation of risks and impacts of crop and livestock damages by extreme climatic events and wildlife incursions.

Finding 4— Gender equality and women empowerment has been particularly better mainstreamed in the sustainable development area compared to previous years, especially in the larger projects, such as those supported by GEF.

48. Gender analysis of project design has been carried out by the country office, including through screening of project activities for potential gender issues. This led to the development of a gender strategy to guide project implementation and monitoring of project results. Where relevant, project results' frameworks included gender-based indicators and gender-disaggregated data requirements.
49. Several sustainable development projects focus on water, energy, natural resource management, and agricultural livelihoods. These are issues that have greater impacts on women's day-to-day lives than in that of men. Project site visits and interactions with project stakeholders during the evaluation mission suggested that UNDP projects, such as the ILCCP, ABS, SRBE and the rural water harvesting component of NAPA II, followed a gender-sensitive, and in certain cases highly pro-women, approach to project implementation. At the community level, many of the UNDP projects, which have rural livelihoods components, engaged with local community groups and cooperatives. There is strong

²⁸ Landscape-based approach refers to a holistic, coordinated approach to environmental conservation which takes into account the interactions between human communities and the natural environment for social and economic development, and seeks to nurture the positive human-nature interactions whilst removing those that are negative. As opposed to site-specific conservation, it's larger in scale. However, it does not mean merely acting on a bigger scale. It means that conservation is carried out at the correct scale and that it takes into account the human elements of the natural landscape.

women representation in these groups and cooperatives; 2013 statistics compiled by the Department of Agricultural Marketing and Cooperatives show that women make up 46.9 percent of the members in the registered local farmer groups and cooperatives.

50. Gender mainstreaming is also being strongly pursued through the support of UNDP/UNEP Poverty-Environment Initiative. This support has led to the formation of Mainstreaming Reference Groups (MRGs) at the central and district levels. The MRGs have been formed with the purpose of advising and advocating for the mainstreaming of cross-cutting issues that are gender, environment, climate change, disaster and poverty, in the policies, plans and programs at the national, sectoral and local levels. The MRGs have a gender focal person, who has the primary responsibility to ensure that development policies, plans and programs at their respective levels are gender-sensitive and address gender issues where they are relevant.

2.2 Democratic Governance

51. UNDP contributions to democratic governance in pursuit of the CCPD *outcomes 3 and 4* have focused on interventions in support of communities and institutions strengthening, gender equality, empowerment and protection of women, development planning, mainstreaming of Agenda 2030 and the Sustainable Development Goals, justice, inclusiveness and transparency.

Outcome 3: By 2018, communities and institutions are strengthened at all levels to achieve enhanced gender equality and the empowerment and protection of women and children.

52. According to the CCPD for 2014-2018, in contribution to *Outcome 3*, UNDP would provide support to: strengthen legal and policy environment for advancing rights and protection of women; strengthen gender mainstreaming in key ministries, autonomous bodies, non-governmental organizations and private companies; and increase awareness among boys, men, girls and women towards preventing and eliminating gender-based violence.²⁹

Finding 5 - UNDP has been effective in strengthening laws and policies to address gender discrimination, sensitizing Parliament and building the capacity of the Royal Audit Authorities for auditing from a gender perspective. UNDP has been less successful in significantly impacting women's participation in the political process and in decision-making positions in the civil service system.

53. UNDP was particularly well regarded by its partners in the government and civil society for the role it played in facilitating and aiding Bhutan's ratification of the Convention on Elimination of All Forms of Discrimination against Women. After that, UNDP was key to strengthening laws to address gender discrimination³⁰. For example, UNDP supported a national action plan on women's participation in politics from 2008 to 2013, along with the development of a baseline study on gender-sensitive policies which pointed out that over 50 percent of the 23 policies under review made no reference to gender. UNDP is currently supporting the formulation of Bhutan's first Gender Equality Policy with the National Commission for Women and Children, which will serve as an umbrella policy to address gender gaps.
54. UNDP was also key to helping sensitize the Parliament to the need for gender-based budgeting and their role in overseeing it. As a result, the Parliament is scheduled to review the extent to which

²⁹ UNDP contributes to Outcome 3 of the UNDAF here referenced, but is not the lead. This evaluation therefore is focused only on UNDP's responsibilities within Outcome 3.

³⁰ It was not possible to rigorously assess the effectiveness of these legislations in this assessment.

government agencies have incorporated the principle of gender-responsive planning and budgeting into their plans. Complementarily, UNDP and UN Women have collaborated to build the Royal Audit Authority's capacity for auditing from a gender perspective.

55. Increased awareness of gender-responsive governance and the integration of gender issues into reviewed local development plans were also found, especially the attempt to integrate climate change, environment, disaster management, gender and poverty into local planning.
56. UNDP, in collaboration with other development partners, supported the Bhutan Institute for Training and Development (BITAD) to provide leadership training to local officials and community leaders. One of the program objectives was to encourage and enhance the public speaking skills for participants, especially women, in local government elections for 2016.
57. The IGNHS received support from UN Women, through UNDP, to conduct research on women in the political process. UNDP later supported IGNHS to develop a training course based on that study, to support women participating in the 2016 elections. The training course focused on communication skills, knowledge on policies, law, elections, and foreign relations.
58. On youth and women's participation in local and national decision-making, UNDP's technical and financial support contributed to modest improvements in 2016, with female voter turnout at 48.96% in the 2016 Local Governance Election, while out of 1423 candidates women represented 11.39% compared to 5.1% in 2011. Further exploration is needed to understand why women are not voting for women.
59. Policy and legislative progress on aspects of gender equality and women's empowerment has progressed well. Bhutan surpassed the 2018 CPD target of 3 gender responsive laws and policies in place. Today's figure of 8 includes the Domestic Violence Prevention and Child Care Protection Acts, instruments developed with support from UNDP that should help Bhutan reduce the prevalence and acceptance rates of domestic violence. The importance of gender equality is better understood, including through UNDP SDG advocacy, illustrated by the decision to include "Gender Equality Promoted, Women and Girls Empowered" as one of 16 NKRA's in the draft 12th Five Year Plan. UNDP's collaboration with the Department of Local Governance (DLG) of the Ministry of Home and Cultural Affairs (MoHCA) contributed to an increase in the number of women elected in the 2016 local elections to 11.39%, while 2016 also saw the approval by RGoB of 6 months of maternity leave, implementing one of the National Gender Action Plan recommendations developed with UNDP's financial and technical support.
60. However, and in part because of the longer timeframe necessary for mind sets to change, these outcome results are not yet translating into impact. In 2016, Bhutan ranked 121st out of 144 countries as per the Global Gender Index report on account of disparity in health, education, economy and politics, which is also supported by the GNH survey report, which found men to be 'happier' than women. Three years ago, Bhutan ranked 93rd among 136 countries. The workforce gender gap widened while women's acceptance rate of domestic violence increased from 68 to 74%. This underscores the importance of UNDP's continued commitment to gender equality and empowerment in Bhutan.

Finding 6 - UNDP has made a commendable contribution to the lives of a few women through income generation and victims' protection initiatives. Nevertheless, without a holistic theory of change and additional resources, UNDP interventions have limited scale and potential to significantly and sustainably enhance livelihoods.

61. To support Bhutan's Domestic Violence Prevention Act, UNDP has partnered with an NGO called RENEW and its community-based service system to furnish rooms in "safe houses" used as shelters for victims of domestic violence in selected districts. Between 2015 and 2017, the safe house in

Bumthang accommodated 15 survivors of domestic violence, seven of whom were transferred to a permanent shelter run by RENEW in Thimphu. UNDP's close collaboration with RENEW also consolidated the organization's GBV awareness-raising efforts by training its trainers and helping them reach a larger audience.

62. UNDP's contributions to shelter victims of domestic violence in Bumthang calls for further attention to the consolidation of links between combatting gender-based violence with follow-up poverty reduction and income generation activities that will help empower victims. The majority of the victims came from poor families. This synergy between GBV combatting and multi-dimensional poverty reduction is unclear in UNDP's approach and strategy..
63. Similarly, UNDP support to a weaving group at the Dorjibi Centre raises the question of how to systematically support an informal collaboration group with capital and managerial skills that will sustain and grow their income-generating activities. Overall, initial results in themselves are not sufficient to promote economic empowerment unless there are deliberate interventions specifically designed for these purposes. The UNSIF proposal mentioned above is an indication of how UNDP will try to address that.
64. Mobilizing resources for GBV has been challenging for UNDP and for the UN as a whole. With what UNDP mobilized, critical components have been addressed, including GBV training for policy and judiciary, supporting the formulation of Bhutan's first Gender Equality Policy, initiating the first national prevalence survey on GBV in 2016 and 2017, which will be finalized in 2018. Still, from the community perspective, linking combatting GBV with economic empowerment is a dimension that has yet to be effectively enforced.

Outcome 4: By 2018, governance institutions and communities exercise the principles of democratic governance at national and local levels, with a focus on inclusiveness, transparency, accountability and evidence-based decision making.

65. Over a nine-year period from 2008 to 2017, UNDP has adopted a dual strategy of supporting democratic governance and local governance for sustainable development. This dual strategy focuses on exercising democratic principles with emphasis on evidence-based policy making, inclusiveness, transparency, and accountability on the one hand and an emphasis on the governance system's contributions to development goals such as poverty reduction, MDGs and SDGs on the other.
66. UNDP support has strengthened Bhutan's evidence-based decision making and results-based policy and plan development within the frameworks of Bhutan's Gross National Happiness objectives as well as MDGs and SDGs. Evidence-based policy making is reflected in UNDP's support for the preparation of baseline studies to serve as inputs for policy and law-making related to fiscal decentralization, strategic development in the justice sector, legal aid, vulnerability, and gender equality. UNDP has strengthened the results-based monitoring system from Bhutan's 11th Plan, supporting the integration of Gross National Happiness indicators into sector-level plans. For the 12th plan, UNDP focused on the localization of SDGs, the mapping of data sources, and alignment of SDG and GNH indicators. UNDP supported the setting-up of the Institute for GNH Studies to serve as a think tank in policy research and training. This had the effect of consolidating the use of an evidence-based approach in policy making.
67. In contribution to **Outcome 4**, UNDP would support: key systems of national and local institutions to be strengthened for effective public finance management, integrated monitoring of plans and programs

and evidence-based decision making; central and local governments to become better able to deliver effective, equitable public service; women and youth to have increased opportunities to participate in leadership, policymaking, and the planning and implementation of development plans; media and civil society organizations to be better able to promote the participation of women and men in public decision making; as well as increased access to formal and informal justice redress mechanisms.

Finding 7- UNDP has been highly effective in contributing to strengthen national and local institutions for effective fiscal decentralization, integrated planning, monitoring of national five-year plans, and evidence-based decision making. UNDP has prepared the groundwork that will help coordinate the justice sector and promote citizens' access to legal aid. Central and local governments are better able to deliver effective, equitable public service and communities have become better equipped to exercise principles of democratic governance with a focus on inclusiveness, transparency, accountability, decentralization and evidence-based decision making.

68. UNDP has successfully promoted the informed and inclusive participation of more civil society in policy discussions by developing the capacities of Bhutanese think tanks, academia and the Media, as well as voter and civic education in urban and rural areas. This has contributed to a more gender-responsive and equitable participation of women and youth in decision-making processes at national and local level.
69. To contribute to nationwide transparency, accountability and anti-corruption efforts, and efficient, effective public service delivery with sound financial management practices, UNDP has effectively partnered with CSOs in promoting people's rights to information and promoting e-governance at local and national levels. UNDP's key achievement is the setting up of Virtual Zomdu in communities nationwide to connect voters with the Parliament.
70. To improve the justice sector coordination and promote access to legal aid in Bhutan, UNDP has worked to mainstream improved access to justice in the country's 12th Five Year Plan. UNDP's advocacy and technical support led to Bhutan's first justice sector-wide planning workshop, an effort that resulted in a draft White Paper on Justice, used by GNHC as the basis for a National Key Result Area for the 12th Five Year Plan: 'Justice Services and Institutions Strengthened'. UNDP has also been supporting the Office of the Attorney General (OAG) to develop an Action Plan for Legal Aid; a strengthened legal system that is expected to improve people's access to legal advisory services and representation in the courts.
71. UNDP has strengthened the organization of the local governance system. This was achieved through the support to the Department of Local Governance, local elections in 2011, and the designation of "Class A" municipalities with elected mayors in 2011. UNDP's continued technical support to fiscal decentralization provide evidence-based inputs for the government's decision-making process through baseline studies that include recommendations on possible revenue sources at the local level, along with mechanisms for equalizing central government budget allocations.
72. UNDP's work in decentralization has also helped to empower communities and increase their resilience to external shocks and natural hazards. UNDP's support, particularly for integrated planning at the sub-national level, yielded results that have both raised awareness of local communities about sustainable development and improved their livelihoods, as mentioned in the previous section. Nevertheless, approaches used still lack a more systematic institutional reinforcement in the form of public-sector units with the responsibility to work on gender, disaster-management, environmental, and poverty concerns. It is not clear how MRG and District-level plans, for example, which are currently conceived, implemented and monitored separately from one another, may be fully integrated within a unified plan.

73. UNDP has been particularly effective in helping Government strengthen its evidence-based decision making and results-based policy and plan development of legal frameworks within the frameworks of Bhutan's Gross National Happiness objectives, as well as the MDGs and SDGs. Evidence-based policy making is well reflected in UNDP's support for the preparation of baseline studies to serve as inputs for policy and law-making related to fiscal decentralization, strategic development in the justice sector, legal aid, vulnerability and gender equality. Furthermore, UNDP was key in setting-up the Institute for GNH Studies to serve as a think tank in policy research and training. This has had the effect of consolidating the use of an evidence-based approach in policy making. UNDP has also strengthened the results-based monitoring system of Bhutan's 11th FYP, supporting the integration of Gross National Happiness indicators into sector-level plans. For the 12th FYP, UNDP supported with the mapping of data sources and alignment of SDG and GNH indicators.

Finding 8 - UNDP has effectively contributed to the consolidation of Bhutan's parliamentary democracy in the context of the 2008 Constitution, helping to strengthen the capacity of the Parliament, the Election Commission, the Royal Audit Authority, the Anti-Corruption Commission and the Office of the Attorney General during their inception years.

74. UNDP provided crucial capacity-building support to the Parliament of Bhutan during its initial years. It developed strategic plans, guidelines and manuals and trained members of Parliament and staff on how to review draft bills and organize public hearings. More recently, the Parliament has also benefitted from UNDP's sensitizing workshops on gender mainstreaming and sustainable development goals. Further, UNDP has provided videoconferencing facilities at 89 community centres nationwide to allow voters in remote areas to connect with their members of Parliament.

75. UNDP was also innovative in promoting, although with mixed results, an E-governance option for citizen access to administrative services. Through its Democratic Governance Thematic Trust Fund, UNDP helped to enhance government to citizen service delivery by connecting the remote areas of Bhutan through e-governance, establishing a web portal and a voice-of-customer portal³¹ to provide online administrative services and monitor citizens' feedback and grievances at community service centres located at the village level and trained local service providers at national, *dzongkhag*, and *gewog* levels. Some factor that affected the e-governance initiatives were challenges in terms of streamlining services from the parent organization to the endpoint. Unreliable internet connectivity and requirements for approvals and signatures for some services have jeopardized the uptake by citizens, leading them at times to prefer services that are processed manually rather than through E-governance. The Virtual Zomdu that connects elected representatives and people living in remote and rural parts of the country has been more successful; it serves as a vital channel for face-to-face communication and interaction.

76. Support to the Election Commission of Bhutan during the initial years after democratic transition in 2008, even though limited in resources, duration and sustainability, was also crucial to temporarily meeting the capacity development needs of the Election Commission, particularly in its training work for political parties. Nevertheless, turnover of staff is high and the limited sustainability of the results put the investment in question; without a more holistic approach UNDP was not able to help address the high turnover.

³¹ The following were the first e-governance services that would be offered: 1. Civil registration; 2. Employment; 3. Agriculture and forestry services; 4. Education; 5. Rural insurance and; 6. Business licenses. Although all services were available on the portal, they were not necessarily supported by the administrations (service providers) themselves. However, UNDP activities were mostly limited to raising awareness of citizens and training service providers on e-governance.

77. The UNDP's support to the Royal Audit Authority and the Anti-Corruption Commission also contributed to effectively strengthening the work of the Parliament's Public Account Committee and Good Governance Committee, both of which review audit and anti-corruption reports respectively and helped to strengthen Bhutan's democratic transition. UNDP support to the Royal Audit Authority focused on audit capacity building, including auditing from gender perspectives. UNDP's initial support to the Anti-Corruption Commission from 2008-2012 strengthened the agency's capacities during their initial years. The support exposed the agency to international practices and the development of an anti-corruption strategy that was officially promulgated in 2009. These interventions serve as the foundation for subsequent institutional capacity development. With a 2016 score of 65 on the Transparency International's Corruption Perception Scale, Bhutan currently ranks 27th on the organization's index and sixth best performer in Asia.
78. UNDP's recent support to the Office of the Attorney General has strengthened its institutional capacity, which is key for its coordination role in implementing Sustainable Development Goal 16. The OAG has developed its strategic plan and will coordinate the development of a justice sector strategy. It is expected that justice sector coordination will contribute to an improved case management, transparency and accountability. Further, UNDP supported a symposium on legal aid that later resulted in the drafting of a policy guideline meant as the basis for developing a full-fledged legal framework.

Finding 9 - UNDP has successfully partnered with CSOs as effective channels to promote democratic principles and to respond to the needs of vulnerable groups and bringing about positive humanitarian and development results at the local level.

79. There is a clear recognition of CSOs development role, catalysed by the National Order of Merit (Gold), awarded to CSOs in 2016 by His Majesty the Fifth King, a critical factor contributing to UNDP's successful CSO engagement in Bhutan. Existing partnerships have shown greater adaptability and responsiveness from CSOs to grassroots level issues.
80. UNDP partnered with Tarayana Foundation to assess the availability of local sustainable water sources, and to understand the impact of climate change on their availability. The CSO analysed the use and demand of water at the community level in several localities. Based on the assessments, water management communities have been established for improved harvesting, storage and distribution of water. This partnership with Tarayana was done within the framework of the NAPA II project, and showed that even with only a limited financial contribution, UNDP could help leveraging indigenous knowledge for activities that have a concrete, positive impact on the reduction of multi-dimensional poverty in local communities, including the well-being and empowerment of women who are traditionally responsible for water collection, household sanitation, cooking, and care of children.
81. UNDP's close collaboration with RENEW consolidated the organization's GBV awareness-raising efforts by training its trainers and helping them reach a larger audience. When the CSO faced challenging situations in approaching cases of abuse and violence, UNDP was also able to provide key support on legal advice. GNHC and UNDP also supported Bhutan's LGBT community interact with peers in a global forum and with Parliament, raising understanding of issues concerning the LGBT community and how lawmakers can make a difference, strengthening the capacity of excluded groups to engage in development.
82. Furthermore, UNDP, through the United Nations Democracy Fund (UNDEF), has also supported the Bhutan Centre for Media and Democracy (BCMD), a CSO established to educate the media, youth and civil society on the concepts of democracy. The work with BCMD introduced Bhutan's citizenry to central democratic ideas such as public space, the role of the independent media, citizenship, and the culture of democracy, public service media, and the need for an open society in an evolving democracy. UNDP support in turn helped improve the capacities of BCMD raising grassroots-level officials'

awareness of the need for information disclosure, thereby shoring up transparency and accountability in local governance. BCMD also trained media personnel in investigative journalism to encourage reporting on local governance and development. Despite all these efforts, the absence of a legal framework for access to information still limits the scope of disclosure at the local level, and BCMD failed to integrate gender into its campaigns and training.

83. In 2016, while supporting the Ministry of Health in implementing its Global Fund programme, UNDP worked with the LGBT community structures to strengthen their capacity to communicate and collaborate, with a view to supporting access to testing and treatment for HIV. The LGBT Community in Bhutan has started coming out and has successfully formed an informal network. Currently, there are 44 self-identified members from various backgrounds, sexualities and gender identity/expression. The network is currently under the guidance of Lhak-Sam (Network of PLHIV) and cannot be formalized given that the law cites 'sodomy' as an illegal practice. UNDP developed an online HIV intervention package, designed to reach key populations through social media like Wee Chat, including young people, MSM and TG³² groups. The aim was to make a safe space for peer support towards getting tested. NACP, Lhak-Sam, and partners raised awareness of HIV/AIDS prevention and care services and challenged the population, particularly adolescents, young people, and key groups (including TG and MSM), to "Rethink HIV" and "Know Your Status". UNDP also supported a review of HIV and its Law for the first time, which supported law makers in better understanding LGBT related issues, considered as emerging in Bhutan.

³² Men who have sex with men (MSM) and transgender (TG)

Chapter 3. The quality of UNDP's contribution

84. This chapter discusses the quality of UNDP's contribution, including its overall relevance to national priorities and UNDP mandate; programmatic and managerial efficiency; and sustainability of programme results.

3.1 Relevance of UNDP Programmes and Approaches

Finding 10 – Overall, UNDP contributions have been highly relevant to the evolution of development in Bhutan. UNDP has operated in alignment with UNDP's mandate, as well as the overarching Bhutanese development concept and vision of Gross National Happiness, and the national needs, development goals, objectives and priorities as expressed in Bhutan's Five-Year Plans.

85. UNDP, for the most part, has made coherent and pertinent contributions, informing and strengthening the Government in the development and implementation of national development strategies and policies, and empowering civil society to participate and articulate their views in strategic debates and decision making on a wide range of issues including gender, livelihoods and environment. UNDP interventions have contributed directly to the GNH objectives of equitable socio-economic development, environmental sustainability and good governance as presented in previous sections.

86. UNDP's work is also in line with the focus of its mission on poverty reduction and sustainable development and increasingly through a more holistic and integrated approach to tackle the connected issues of multidimensional poverty, inequality and exclusion, climate and disaster risks, and environmental sustainability, while enhancing knowledge, skills and technologies to sustain development gains. Democratic governance projects focus on citizen participation, including women's participation in decision making and development activities. Local governance for sustainable development addresses governance arrangements in guaranteeing basic human development needs such as livelihood, safety, water, food, improved energy sources' and access to and sustainable use of natural resources.

87. Nevertheless, it is not always clear whether the choices of sustainable livelihood improvement projects have been the most relevant or the best use of resources. There were cases of very small projects, particularly those related to poverty reduction and employment, not properly approached for pilot purposes and with the adequate measures for scalability, resulting in small contributions spread thin with limited impact and concern for sustainability.

Finding 11 - In terms of relevance of approaches taken, UNDP support has been consistent with the principles of national ownership and the multidimensional human development approach. Nevertheless, there is room for improving the overall programme strategies, ensuring a clear theory of change in each of the focus areas and refining the documentation of results for improved learning³³ and effectiveness.

88. There has been a conscious effort to promote national implementation of projects and ensure national ownership of results. All UNDP projects involve relevant government agencies as partners in project design and implementation. This has facilitated alignment with national development policies, strategies and priorities.

³³ Improved learning had been recommended in the 2007 ADR based on the opportunity UNDP Bhutan has to position itself as a knowledge center to strengthen its role vis-à-vis Government. But it required formalizing and improving knowledge creation, management and dissemination, as well as improved monitoring, synthesis of action research and evaluation lessons, which UNDP did not fully embrace.

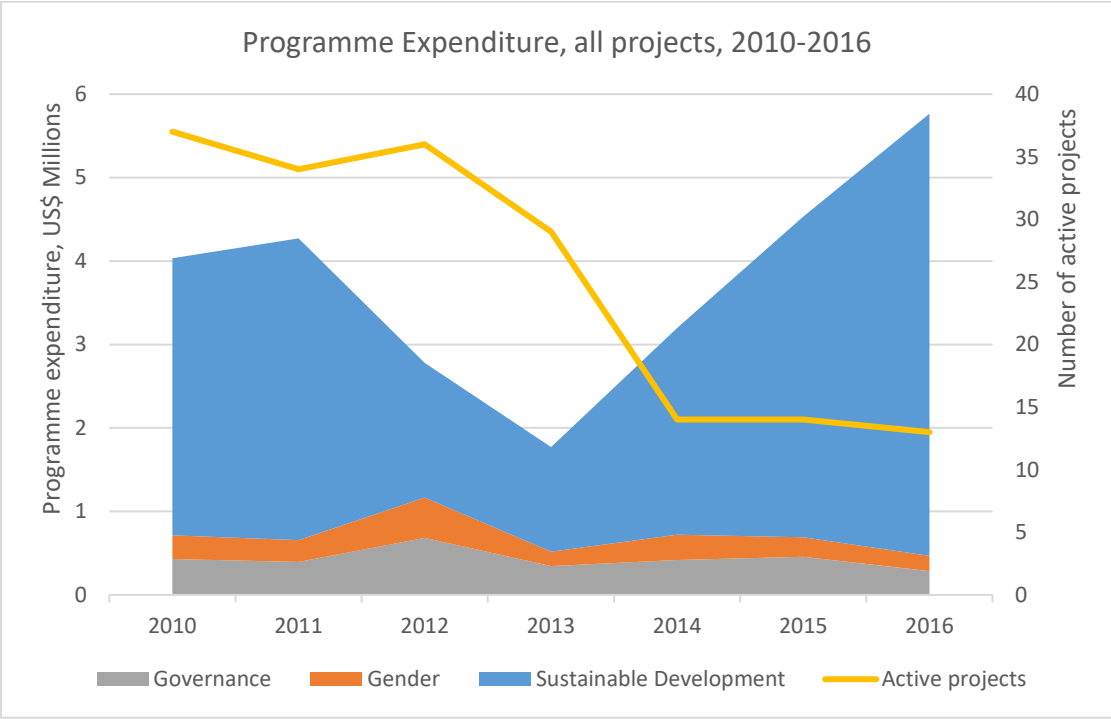
89. Consultations with main stakeholders clearly indicate that there is a good dialogue between UNDP and partners but not always timely influence policy. Government prefers its own experts' advice and is often reluctant to seek assistance from development partners. When they do, some parties interviewed voiced that they prefer international experts, even though they still value the trust developed with what they consider very capable national UNDP staff.
90. Staff seem closely connected at the various levels of implementation but the decreasing availability of core resources, due to Bhutan's graduation to MIC status require UNDP to straighten relations with Government even more to strategize its interventions and coordination with other UN agencies to consider to be at arm's length of the government for upstream and downstream contributions.
91. UNDP's multidimensional human development approach is clear through the enhanced integration and mainstreaming efforts of its programme. Nevertheless, clear theories of change were not present to ensure the most adequate approaches and sustainability of results.
92. Other limitations include the fact that resources are still thinly spread over a wide range of activities, particularly in the area of poverty reduction, livelihood and sustainable employment, although some activities had demonstrated value for the Government to replicate or scale-up through their own resources or other external funding. In some cases, initiatives appeared to have been guided by funding availability and particular demands from Government counterparts without a clearly defined strategy for change and without considering UNDP's comparative strengths against those of other UN agencies. Assumptions being used have not been tested for rigor neither the identification of change drivers and barriers. The availability of documentation on lessons learned, learning mechanisms and how lessons are disseminated and used was limited. Further, there have been considerable changes in personnel both at the UNDP country office for the period under evaluation, affecting the institutional memory and whereabouts of data. Also, not all the planned evaluations were conducted, limiting the possibility of further testing assumptions for improved effectiveness.

3.2 Efficiency of UNDP Contribution

Finding 12 – In terms of programmatic efficiency, for the most part, UNDP has been efficient in the timely execution of programmes and delivery of results within deadlines and budgets, but not without challenges. The current programme is a reflection of the Country Office's effort to turn siloes into more integrated and efficient programmes.

93. The gradual decrease of UNDP's number of active projects – from 37 in 2010 to 13 in 2016 – has helped the country office to deliver programmes more efficiently while at the same time decreasing project management costs, reducing the number of high-transaction costs outputs with limited impact and scale. Having fewer but larger projects has encouraged the CO to be more adaptive to ensure timely delivery of activities and management of risks.
94. If reducing the number of projects can help decreasing project management-related costs, UNDP must ensure that efforts to consolidate projects into one set of activities grouped under a common goal in UNDP's corporate planning and financial management system makes sense programmatically, and is supported by coherent design, monitoring and management arrangements. In the case of the governance projects³⁴ that were combined into one award in 2017, synergies between the access to justice and parliamentary projects could be established although the connection between the health and HIV projects has not been evident given the projects' different objectives.

³⁴ Access to Justice Project, Parliamentary Project and Health and HIV project.



95. Overall, larger programmes have also contributed to integrating elements from other thematic areas, an illustration of the CO’s efforts to move away from siloes. For example, UNDP integrated livelihoods activities in sustainable environment projects, and develop local institutional capacities through a climate adaptation project.

Finding 13– Projects have been better designed³⁵ to achieve desired outcomes than in the past, but weaknesses in project management, monitoring and evaluation have impeded better tracking of performance, measuring of impacts and integration of lessons learned in future programmes.

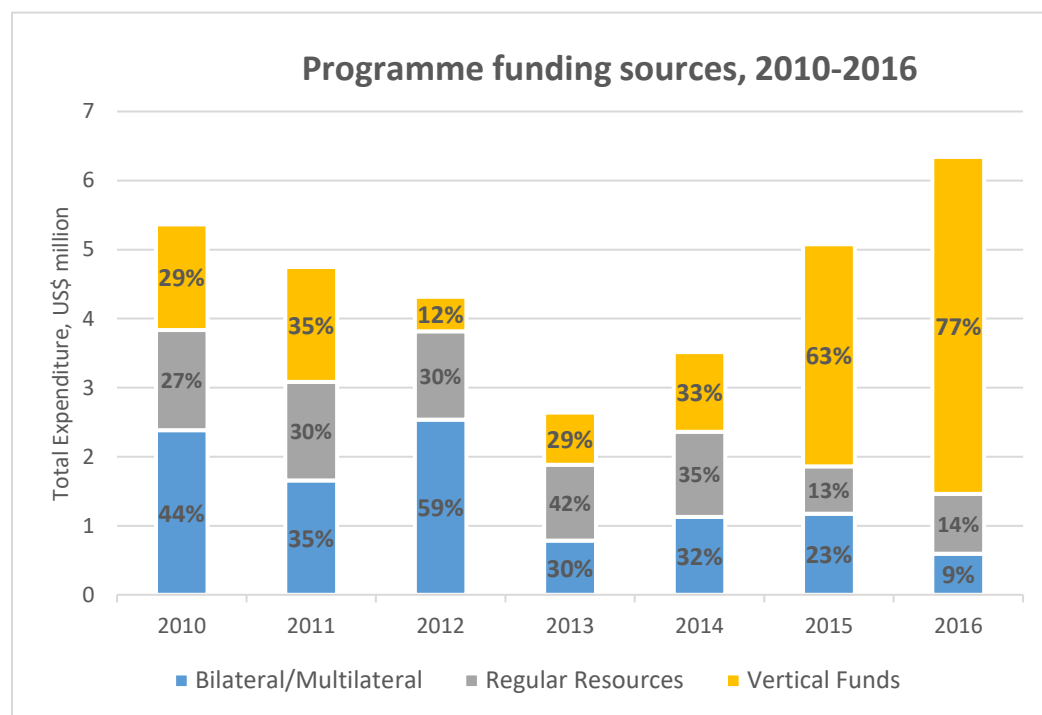
96. UNDP’s project design, particularly for the recent, financially large projects, has included logical and strategic results framework, monitoring and evaluation plans, management arrangements as well as risk assessments and mitigation plans. Annual work plans, agreed by government and UNCT counterparts in each theme group, fostered coherence and alignment with national priorities.

97. Projects are mostly monitored through periodic progress reports and evaluation plans include mid-term and terminal evaluations. In practice, however, the CO lacks resources, staff, and an overall efficient strategy for monitoring and evaluation, and monitoring activities are not systematically documented. The current evaluation plan is almost exclusively focused on the environmental outcome, and with one year left in its implementation, the evaluation plan is just over 40percent completed.

98. There are also inconsistencies between outcome indicators used in the country programme and Annual Work Plans, and indicators used in project documents. Some indicators lack specificity, baseline information or updated data. (See Annex 5 for further details)

³⁵ Project QA assessment indicates improvement

Finding 14 – In terms of managerial efficiency, despite organizational constraints and the struggle to diversify sources of funding to address the decline in core regular resources due to graduation to MIC status, UNDP has been able to improve its management efficiency ratios and, in 2016, reached its highest total delivery to date.



99. Core resources have been dramatically cut from a historically stable 30 percent or more of total programme expenditures, between US\$1.2m and 1.4m, to 14 percent with US\$0.8m today. With bilateral and multilateral funding of projects also suffering from traditional development donors leaving Bhutan as the country is likely to graduate from LDC status, the country office has had to direct additional efforts towards resource mobilization.

100. A new resource mobilization strategy was developed in 2016, but the CO has faced challenges to implement it, create the necessary incentives and ensure the proper training of select staff to mobilize resources effectively. Bhutan is still a highly grant focused nation in terms of collaboration with external partners, with a very small and State-centric private sector, and a very high debt-to-GDP ratio. Presently, as an LDC, Bhutan is very resistant to any forms of financing development beyond grants.

101. The private sector is so small, and so State dependent, that it has not offered much potential to date, but it is something that UNDP needs to continue pursuing as an office. Government cost sharing has also been a challenge. Some UNDP staff do not understand well how GCS works to properly explain to Government and most people consulted in Government either did not understand the funding mechanism, or challenged its value added. Part of the resistance is the fact that Government, with LDC graduation in mind, is pressing hard for all remaining access to grants while they can. Until it is imperative to do so they are not very likely to entertain other options. Even still, UNDP has managed to make a dent with 1% delivery in 2016 through GCS. Negotiations over 18 months made this possible, resulting in an agreement between the Gross National Happiness Commission, the Ministry of Finance, and the Ministry of Health on how to use the GCS mechanism for UNDP to provide services to the Ministry of Health in implementing its Global Fund project. The agreement with the Government is

that GCS is possible where the primary funding source originates from a third party (in this case, Global Fund financing), not Bhutan's own domestic revenue.

102. The bigger challenge will be to shift Bhutan from being a grant recipient to a development partner in itself. To support this shift, UNDP's programmatic investment in understanding Bhutan's financing needs to meet the SDGs – particularly SDGs 1, 13, 15 as prioritized by the Government - is important, where the result will be a green investment plan to support the Government in mobilizing new domestic and international finance through green and innovative means, mitigating future expenditure, and increasing the efficiency of existing finance. UNDP is also leading the development of a Development Finance Assessment for Bhutan as part of the process of creating the new UNDAF. While the result will inform the development of a strong UNDAF, it should also be an important contribution to support new approaches to development finance in Bhutan.
103. Programme funding has been heavily skewed towards the environment and climate change area, largely due to the availability of international climate and environment financing, particularly from the GEF Trust Funds. Consequently, programme delivery depended mostly on vertical funding³⁶, with 77 percent of the delivery coming from vertical funds in 2016, and one project alone accounting for 46 percent of the total delivery. More than 80 percent of the resources that UNDP mobilized over the past two program cycles pertained to environment, energy and climate change projects. In contrast, only 8.5 percent of the resources were related to employment generation and improved livelihoods.
104. Aware of the potential risks linked to its dependence from one source of funds, the CO has made efforts to explore opportunities for Government Cost Sharing, so far with some limited success, and is seeking to provide a full assessment of current ODA and resource flows for further analysis. The CO has also managed to continue to attract funding from bilateral donors for non-environment projects, and is exploring other innovative financing options for its programmes. While the CO and RBAP are closely monitoring the funding situation, success in addressing these resource mobilization challenges are imperative to sustain the current office structure.
105. Decreasing resources have had a significant impact in the office's management expenditures. The management to programme expenditure ratio was 20 -30 percent between 2008 and 2012, and even went above 40 percent in 2013, and is now down to about 13 percent. The CO made organizational changes in order to reduce its management costs, by discontinuing several positions and merging some support positions, reducing the current operational team to its leanest. This has led to persisting situations of staff not being able to take leave, despite efforts recognized by staff. Part of the support was to be taken over by the GSSU, but that has yet to function properly. Efforts to improve work-life balance have been made; yearly staff training plans are being implemented to address organizational and capacity issues and collaboration between operations and programme teams is being encouraged.
106. Management has also made efforts to reduce operational costs through the 2016-2018 Business Operations Strategy, a broadly well-valued UNCT-wide effort to improve management of key operations and administrative resources. Although the document was only fully endorsed in July 2017, elements of the strategy were already implemented and are showing results with a more efficient management of common services.
107. Efficiency gains were also expected to come from the clustering of services in the GSSU, which started in April 2016. The intention was to reduce the CO operational staff time devoted to transactions and increase its analytical capacity. It is still relatively early to assess the effectiveness of this new

³⁶ Vertical funds refer to funding channels created in response to high-visibility, single-issue advocacy campaigns and to tackle specific development issues.

arrangement, but so far there have been many problems and no evidence of improved efficiencies³⁷. The CO has engaged with the Regional Hub and GSSU to find solutions to address the issues, and is making continuous efforts to assess the effectiveness of clustering process.

Finding 15 – In terms of the business environment for gender results, there has been good progress in the implementation of UNDP’s gender mainstreaming strategy. UNDP is broadly recognized for its efforts in advancing gender mainstreaming in its work with partners. A good number of the staff has been sensitized in gender issues, and their capacities enhanced to mainstream gender in both programme and operations.

108. In addition to specific outcomes addressing gender, UNDP Bhutan has progressed well in the implementation of its Gender Mainstreaming Strategy. Based on UNDP’s global Gender Equality Strategy 2014-2017, the CO’s Gender Mainstreaming Strategy aimed at being “a role model in advancing gender mainstreaming for [their] implementing partners – both the government and civil society in Bhutan, with its entire staff sensitized in gender issues, and their capacities enhanced to mainstream gender in both programme and operations while ensuring healthy work-life balance and gender parity at all levels.”³⁸
109. Gender disaggregated data indicates that the distribution of staff is not at parity, with men considerably outnumbering women (22 to 13). Beyond a comparison of the number of men and women, the 2012 UN Bhutan Gender Audit Report indicated that compared with other UN agencies, a higher proportion of UNDP staff members gave positive answers in terms of gender mainstreaming in the workplace, programming and policy, availability and quality of gender training, etc. However, the UNDP 2016 Pulse Survey for Bhutan demonstrated that gender gaps still exist on certain empowerment indicators.
110. The CO has a gender focal point, who is the portfolio analyst of the Inclusive Governance programmes. In 2016, the CO’s energy and environment project officer participated in a three-day workshop in Bangkok regarding “Gender mainstreaming in Environment, Energy and Climate Change Programme.” Since 2013, the CO had only one specifically gender-related training, which was conducted in 2017. However, no training on UNDP gender policy was conducted.
111. Scores of the gender marker indicate that about 53 percent spending since 2010 has had some to a significant focus on gender programming. As an accountability tool for tracking UNDP’s financial allocations and expenditures contributing to gender equality and women’s empowerment, the gender marker (GEN) provides a snapshot of how many gender-focused programmes are active in UNDP Bhutan.³⁹ The great majority of the country’s projects have some contribution to gender equality. Since 2010, 45 percent of programme expenditures have been concentrated in the GEN2 category, which indicates that gender equality is not the *main objective* of the expected output, but the output promotes gender equality in a *significant* and consistent way; 43 percent of the programme expenditures have been concentrated in the GEN1, indicating that projects are contributing in a *limited* way but not significantly to gender equality.⁴⁰ Projects focusing on gender as the “principle objective,” rated as GEN3, make up about 8percent of total programme expenditures since 2010. It is an improvement and

³⁷ Similar problems with the GSSU were identified in other countries as documented in the recent Strategic Plan Evaluation.

³⁸ UNDP Bhutan, ‘Gender Mainstreaming Strategy 2013-2018.’

³⁹ Scores range on a scale between GEN0 (not expected to contribute ‘noticeably’ to gender equality outcomes) and GEN3 (gender equality as a ‘principal objective’).

⁴⁰ UNDP, Guidance Note, UNDP Gender Marker: Tracking Gender-Related Investments and Expenditures in ATLAS, Revised Edition, Bureau of Policy and Programme Support, Gender Team, 2014

according to the UNDP corporate strategy a relatively good profile, but there is still room for improvement to see more significant results and changes in the lives of women and men.

112. When analysing the evolution of the gender marker score since 2010, the gender sensitivity of the projects has increased steadily in recent years. There has been a significant corporate push to monitor and improve gender markers, but this is a process that takes time to achieve results. Since 2014, the start of current CPD cycle, the proportion of projects with GEN2 increased significantly. The proportion of GEN2 and GEN3 project expenditures in the sustainable development portfolio is 52 percent, followed by the governance portfolio (33 percent).

3.3 Sustainability of UNDP Contribution

Finding 16 – The sustainability of UNDP contributions vary, but are mostly satisfactory based on good national ownership of results, enhanced capacity, improved legislation and support to the continuation of many UNDP implemented initiatives and achieved results. Where attention to sustainability was limited, it was mainly due to financial constraints, the lack of theories of change and quality results data and evidence to inform decision making, policy and planning efforts, as well as learning for course corrections and improved effectiveness.

113. Sustainability was assessed based on the likelihood that the results and benefits generated through a set of intervention will continue to exist. High levels of national ownership of results and congruence between the national development vision and goals and the MDGs and SDGs have provided a conducive policy and institutional environment for sustainability of the outcomes. Initiatives supported by UNDP are integrated in government plans and programs (either through FYPs or annual plans). The designs of the UNDP initiatives are well aligned with the national GNH vision, and the objectives and priorities set in the FYPs. The existence of a conducive national policy, planning and institutional framework for sustainable development guided by the GNH development philosophy is a positive factor contributing to sustainability of UNDP support and results. Nevertheless, since the development context of Bhutan is likely to change due to graduation from LDC, the continuation of investments may be challenged.

114. In the areas of poverty reduction and gender, UNDP has spread its limited resources too thinly to ensure the sustainability of some of its initiatives. The lack of coherent theories of change has also prevented UNDP from strategically thinking how to invest in a more sustainable manner. Failing to link pilots or small project interventions with a broader government policy or adoption increases the risk of results or further investments disappearing once UNDP moves away.

115. Further, UNDP has yet to reconsider its capacity-building strategies that serve both short- and long-term purposes. UNDP has supported capacity building through the development of an enabling environment, and capacity building for both institutions and individuals. However, in the context of Bhutan, support to individuals without a complete theory of change and adequate resources may threaten the sustainability of results. Members of Parliament, for example, change every five years; therefore, support to members of Parliament, although necessary, may not be sustainable beyond each election term, unless a holistic approach to sustainability is considered.

116. Assumptions and risks to sustainability are better analysed and mitigation measures are better identified in the design of some larger projects. This is, however, not the case with the smaller projects.. Exit strategies are mentioned and sometimes described in the project design, but how effectively they have worked is not clear..

Chapter 4. UNDP's Strategic Positioning for advancing transformational change

117. This chapter provides an overview of aspects of UNDP Strategic Positioning and UN coordination for advancing transformational change in Bhutan.

4.1 Response to Country-specific emerging issues

Finding 17. UNDP has been a relevant and responsive partner to some emerging national needs, development challenges, Government priorities and significant shifts in Bhutan.

118. UNDP has responded particularly well to the emerging needs and priorities of developing a low-carbon, climate and disaster-resilient and environmentally sustainable economy through an integrated approach that combines environmental management and socio-economic development objectives in mutually-reinforcing ways. UNDP's increasing engagement in climate change adaptation and disaster risk reduction through the NAPA projects corresponds with the country's vulnerability to climate change and extreme weather events, which have been growing in frequency and intensity over the past 10-15 years. UNDP has also been very responsive to recovery and reconstruction needs in the aftermath of natural disasters, e.g., the 2009 and 2011 earthquakes, and 2016 summer floods.

119. UNDP has also been particularly responsive to Bhutan's democratic governance priorities as well since its transition to a democratic system under the 2008 Constitution. UNDP support has significantly contributed to consolidating parliamentary democracy during its early years. UNDP worked very closely with the Government, specifically with the Gross National Happiness Commission, in the pursuit of MDGs, contributing to significant progress in the attainment of the goals.

120. There is a strong alignment between the SDGs and the national strategic framework of the FYPs. A rapid integrated assessment of the 11th FYP against the SDG targets revealed that there was a high level of integration of SDG targets, since 134 out of 143 SDG targets were integrated. As with the 11th FYP, a preliminary assessment of the upcoming 12th FYP shows high integration of the SDGs in its strategic framework, with the 16 key national result areas closely related to 16 of the 17 SDGs (except SDG 14: life under water). There are close to 100 SDG targets and indicators corresponding to the national key result areas and progress indicators. Based on the high level of integration between the SDGs and the national priorities, Bhutan positioned itself as an early mover on the SDGs with particular attention to showcasing medium-term results on SDG 1 (end poverty), SDG 13 (climate action) and SDG 15 (life on land) as a starting point. The SDGs present renewed opportunities for the work of UNDP, as the organization is gearing up with tools and additional resources for Mainstreaming, Acceleration and Policy Support for the implementation of the 2030 Agenda through the region

121. UNDP has been less able to mobilize significant external resources and provide tangible support to respond to the growing unemployment among youth and in urban areas. Nevertheless, UNDP has made conscious efforts to try to integrate poverty reduction and livelihood initiatives in other areas and projects that have more resources, but a clear theory of change and system thinking behind these investments are still required to ensure sustainability.

122. Key challenges that UNDP faces, in more effectively addressing emerging issues and more significantly advancing transformational change, include the diminishing core resources due to likely LDC graduation and the need to balance its strategy to address short-term priorities and long-term goals, as well as upstream and downstream investments. Here too, developing demonstrable theories of change and adequate system thinking will ensure efficient investments and effective, sustainable results.

123. To address the challenge of limited resources, UNDP's has recently developed a resource mobilization strategy, accompanied by a thorough assessment of the funding situation in the country and options to explore. Specifically, Government Cost Sharing has yet to be properly communicated to partners, not as a means to compensate the gap in financing but as an advantageous way, used in most developing countries, to support the government implement their own priorities efficiently and effectively.

4.2 UNDP's comparative strengths and value added

Finding 18 - UNDP's comparative strength in comparison with other international organizations and key added value have been the access to its knowledge network and good practices, especially for capacity building and policy advice; its convening power to bring partners and donors together (RTM⁴¹/DPG⁴²); and its perceived access to funding. Nevertheless, UNDP is often mistaken for a donor and sometimes valued only as such. This represents a risk in the environment of diminishing resources due to graduation, where increasingly UNDP wishes to be recognized more as a development partner than a simple donor.

124. UNDP has a longstanding presence in Bhutan, which has enabled it to nurture a steadfast partnership with the Government over the years. The Government, development partners and civil society partners see the UN – and UNDP in particular – as a partner and catalyst of best international practices in sustainable development policy making, development planning and management. The Government looks to UNDP particularly for core assistance in the preparation of Round Table Meetings and FYPs.

125. UNDP plays a particularly important role in working with the Government to integrate the human development perspective in projects as well as a substantive and high-level dialogue for policy formulation, bringing national institutions together to work on issues of common interest. National partners observe that the UNDP's mandate for holistic human development approach allows them the flexibility for broad-based development work, which is not the case with many UN agencies, as they tend to have more specialized areas of work. Partners find that UNDP democratically fosters policy dialogue and the development agenda with flexible, inclusive and participatory approaches aligned with UN values, such as human development, gender equality and equity.

126. UNDP's strength is also seen in providing interface and integration between international sustainable development conventions and treaties, and national policy and strategy development. Examples include the development of a National Biodiversity Strategy and Action Plan in close alignment with the Aichi Biodiversity Targets under the Convention on Biological Diversity, a National Action Program to combat Land Degradation in close alignment with the 10-Year Strategic Plan of the UN Convention to Combat Desertification, and a National Policy on Access to Genetic Resources and Benefit-sharing from their Commercial Utilization (ABS) that is compliant with the Nagoya Protocol.

127. Nevertheless, UNDP's historical role as a donor is still highly regarded by multiple stakeholders, indicating the continued shift that will be necessary for UNDP to be considered as a partner instead. On the other hand, most also value its human resources and technical contributions, even in areas where they cannot provide significant funding, but admit to approaching UNDP as a source of funding first. Among these partners, UNDP has yet to further clarify its role and value addition as a development partner able to contribute to the development of Bhutan regardless of its access to regular funding.

⁴¹ Round Table Meetings – A platform for development dialogue and discussions on issues of interest and concern to all participants where different international agencies also commit financial resources. UNDP is the co-chair. As recommended in the past ADR, UNDP continued to support the RTMs.

⁴² Donor Partners Group

128. UNDP is well positioned for more upstream policy work and to gradually scale up Government Cost Sharing, private sector and other innovative co-financing (i.e. implement WB/ADB loans) for its programmes. Downstream, UNDP is well positioned to focus on capacity development, but must strengthen cross-sectorial synergies with a clear TOC for sustainability with the proper system thinking, integrating the areas where it can most add value in contributing to the SDGs and leaving no one behind, as described below.
129. In the area of Sustainable Development, UNDP can contribute better to sustainable urban development by integrating environmental management, climate and disaster resilience with measures to improve livelihoods and reduce inequalities, with a focus on vulnerable groups and special attention to youth development and employment through innovations and technologies.
130. In the area of Democratic governance, UNDP is strategically positioned to continue contributing to institutional strengthening of civil service, local governance, parliamentary oversight role and monitoring and evaluation of the 12th FYP. But gender equality work can go beyond mainstreaming and be more closely aligned with UN Women's programmes to avoid duplication and ensure sustainability with a clear theory of change, giving more attention to upstream and capacity development for women empowerment, especially in the areas of decision making and economic development.
131. Furthermore, UNDP is strategically positioned to lead the integration among UN agencies to advance the SDGs, still prioritizing the Gross National Happiness concepts and objectives but with special focus on leaving no one behind; and, in partnership with UN agencies, push for emerging key areas that receive less attention and more resistance, such as LGBT issues and disabilities, to ensure the realization of the SDG's principle of no one left behind.

4.3 South-South/Triangular cooperation

Finding 19 – UNDP has facilitated a few opportunities of South-South sharing and exchange of practices with other countries. Despite their potential benefits to the participants, many of the initiatives were ad hoc, one-off events.

132. The UNDP-UNEP Poverty Environment Initiative, initiated a Strategic Environment Assessment for Thimphu Structural Plan (TSP), in collaboration with the Korean Environment Institute, a leading think tank on environmental policies and impact assessments. UNDP facilitated exchange visits between officials in Bhutan and Korea in 2016 to advance the SEA, following an initial scoping mission in 2015. Through the collaboration, a draft framework for the SEA for Thimphu's Structural Plan was developed and the national counterpart was capacitated to take the assessment forward. It was, however, not clear how the SEA results will be brought together and integrated in the overall strategic approach for linkages and synergy with other relevant components of sustainable development support in the absence of a ToC.
133. At the regional level, UNDP brought together government representatives from Asia Pacific countries to exchange ideas and data on financing the SDGs. The Forum advanced Bhutan's understanding and to a degree acceptance of the changing nature of development finance and the UN's role therein.
134. GNHC and the UNDP also supported MPs, an LGBT informal network member and a Gay Rights activist to participate in the Salzburg Global Forum on LGBT in Austria. This was the first time Bhutan's LGBT community interacted with peers in a global forum, and their first engagement with Parliament. The initiative raised understanding of issues concerning the LGBT community and how lawmakers can make a difference, strengthening the capacity of excluded groups to engage in

development. Subsequently, the LGBT community launched a Facebook campaign #CelebrateYourself #RethinkHIV, received positive media coverage, and formally wrote to Parliament on issues affecting the Community in Bhutan. The HIV and the Law report recommended repealing section 213 of Bhutan's Penal Code which criminalizes sodomy. Parliament debated the proposal in its winter session. No change was made, but the door is open to finding a solution, while the capacity of the Community is enhanced.

135. Through the UNDP ABS project, Bhutan's National Biodiversity Centre staff visited the Philippines to study international plant extract library systems, study the Philippines' current practices in plant extraction and natural product development, and to develop institutional linkages for future bio-prospecting collaboration, technical backstopping, and research services. As a result, in addition to gaining knowledge, Bhutan initiated a research collaboration with the Philippines Company Herbanext Pharmaceuticals to explore developing natural products from Zingiber in the ABS context, and 9 research studies have been since produced. If marketable products are identified, the scope to increase Zingiber yield in remote communities is high. This could aid their capacity to engage in development, and increase ABS land cover.
136. A BIOFIN Methodology testing Workshop was conducted among seven regional Asian countries in Bangkok in 2016. For Bhutan, the Workshop provided a wide array of ideas to overcome challenges how best to implement the BIOFIN process to result to meaningful and lasting change in the biodiversity financing landscape in the countries culminating into the New BIOFIN Global Workbook.

4.4 UN coordination

Finding 20 –UNDP is well positioned to continue to help lead the UN coordination in Bhutan. Nevertheless, clear theories of change are missing for how to make better use of a programmatic approach to DAO and to improve coordination, highlighting cross-cutting issues; strengthening synergies; reinforcing complementarities; and removing duplication to enhance efficiency and effectiveness in achieving focused results.

137. The UN in Bhutan intended to adopt the 'Delivering as One' approach to increase the effectiveness and impact of the UN agencies by increasing the coherence of programs and reducing the transaction costs for implementing partners. The 2014-2018 CCPD for Bhutan developed by UNDP, UNFPA, and UNICEF intended to follow this approach by highlighting cross-cutting issues; strengthening synergies; reinforcing complementarities, and removing duplication to enhance efficiency and effectiveness in achieving focused results. It was also the intention to reduce the review burden for the government and enable participating organizations to harmonize their efforts and articulate areas of cooperation.
138. Delivering as One (DAO) is not fully materialized in Bhutan. There is a need for increased coordination among the UN agencies and other development partners in Bhutan, beyond planning for increased coherence of programming with a coordinated UNDAF and Common CPD. Despite some efforts from UNDP, there is limited coordination among the agencies to jointly implement initiatives and report on contributions with adequate focus on programme approach and results-based management.
139. Triangulation of evidence, including interviews with key stakeholders, indicate limited evidence of the agencies working more effectively together to highlight cross-cutting issues; strengthen synergies; reinforce complementarities; and remove duplication to enhance efficiency and effectiveness in achieving focused results. Neither has the review and reporting burden for the government been reduced to enable participating organizations to harmonize their efforts and articulate areas of cooperation.

140. Despite some of these being corporate requirements, the multiple planning instruments (UNDAF/One programme/CCPD/CPDs) used are redundant and add transaction costs without a clear TOC with adequate system thinking linked to RBM. The value added of the One Programme is not clear for most agencies, some UN agencies are going back to developing individual CPDs. Despite its challenges, limitations and need for improvement, the One Programme is still valued by Government and partners. It can be a helpful tool for communication, advocacy and some mapping of investments and reporting.
141. Transaction costs have also increased with the introduction of additional layers of coordination, from additional planning, monitoring and coordination activities, which have also contributed to increased transaction costs at the level of individual agencies. The introduction of several inter-agency task teams also appears to have increased transaction costs in terms of staff time, without necessarily fostering a clear understanding and knowledge of the UN's value added.
142. Agencies and partners complained of duplication of efforts and confused counterparts, as a result of the lack of effective coordination and communication. It is not clear for many counterparts what differentiates UNDP from the UNCT as well as the RC and the RR. There is high ambiguity in the role of UNDP/UN and RC/RR to many partners. UN agencies and some Government counterparts often perceive efforts of a UN offer as a UNDP offer. The difference between UNDP and the UN is not clear to many partners, and neither is the comparative advantage of each agency or how their work in a more integrated, coordinated and harmonized way could concretely add more value.
143. Operationally, the common Business Operations Strategy (BOS) has increased efficiency and reduced costs. It aimed to enhance the cost effectiveness and quality of operations back office processes such as procurement, ICT, HR, Logistics and Admin and Finance. With the BOS and the help of a common services officer there have been costs savings in the form of a surplus of 19percent in the budget for premises, security and communication in 2016. This more cost-effective model has capitalized on existing agency operational capacities and consolidated some services provision.
144. The UN coordination is challenged by the lack of authority over the UN agencies, variation of rules, regulations and mandates of each of the agencies; competition for decreasing resources; and the inability, especially of the small and non- resident agencies, to invest resources in concrete joint projects.
145. There is limited interest among the UN agencies to engage and invest their own resources in interagency work through concrete joint projects. There is only one formal UN joint project in Bhutan and three others seeking funding. UNDP led and developed all of the joint projects formulations. Based on interviews with UNDP staff, members of the UN agencies, government counterparts, civil society, academics, as well as through desk review of the UN RCARs and UNDP ROARs of the past years, it is evident that there is moderate willingness among UN agencies to cooperate and share information; there is also limited interest to pool funding and coordinate investments and contributions.
146. The Resident Coordinator Annual Reports of the period under review indicate that the agencies have played a critical role, each individually contributing to development results in Bhutan. But it is not as evident in the reports what the agencies did and delivered together as a coordinated system to strengthen synergies; reinforce complementarities, and remove duplication to enhance efficiency and effectiveness in achieving focused results, which were missed opportunities for improving the effectiveness of UNDP in particular.
147. Monitoring and Evaluation skills are insufficient in the RC office and at the level of agencies to ensure a common planning, monitoring and reporting framework, with adequate attention to Results Based Management and not performance management. There is a need for a more efficient approach to monitoring and reporting, with fewer indicators and with proper baselines to reduce duplication and transaction cost and enhance knowledge sharing and synergies, not just to prove results but more

importantly, to improve results. Communication is also insufficient among the agencies, especially about financing intelligence; and the agencies don't seem prepared to support Bhutan if/when disaster strikes.

148. The agencies-specific expertise have not been effectively mobilized or integrated in a holistic manner, with a clear TOC for a more focused programmatic approach to DAO or UNDP programme. The agencies, have not succeeded to effectively leverage financing for development and improve joint agencies financing practices. UNDP is the only agency that has put financial resources into joint initiatives. UNDP is driving efforts but there is no reciprocation or engagement across the other UN agencies. There is, for example, limited evidence of agencies, including UNDP, hiring other agencies when possible, instead of consultants, to contribute to the implementation of components where they have a competitive advantage to stimulate joint work and capitalize on synergies.
149. These coordination challenges do not exist in Bhutan only, as indicated in the 2016 Quadrennial Comprehensive Policy Review (QCPR)⁴³. The Secretary General will be devising a road map for change designed to make the UN system stronger. It will be imperative that the UN coordination in Bhutan implement the SG's recommendations on repositioning to improve coordination. Consultations with all stakeholders indicate UNDP is well positioned to continue to lead the UN in Bhutan in this process, but without clearer and empowering "marching orders" from the Secretary General and the willingness of the agencies to coordinate and work together, it is unlikely that any significant change to improve DAO will take place.

⁴³ The QCPR is the mechanism through which the General Assembly assesses the effectiveness, efficiency, coherence and impact of UN operational activities for development and establishes system-wide policy orientations for the development cooperation and country-level modalities of the UN system in response to the evolving international development and cooperation environment.

Chapter 5. Conclusions, Recommendations and Management Response

5.1 Conclusions

Conclusion 1. Strategic Positioning – UNDP has made valuable contributions to the development of Bhutan. However, given the limitation of resources, due to the graduation to MIC status, UNDP has the challenge and the opportunity to reposition itself to ensure it can continue to make significant and sustainable contributions to development. UNDP currently lacks Theories of Change and the Results Based Management framework to more effectively support a MIC with the adequate system thinking to timely inform how much and how best to invest and when, in what sequence, its limited resources to ensure effective and sustainable advances to transformational change.

Conclusion 2. Sustainable development - UNDP has successfully contributed to Bhutan’s sustainable and ‘green’ economic growth being more equitable, inclusive and resilient to climate change and natural disasters. UNDP has been less effective in enhancing poverty reduction by significantly addressing employment opportunities, for vulnerable groups and particularly in urban settings, where unemployment is growing with speedy urbanization. Despite its enhanced attention to integration of environmental and socio-economic development needs, UNDP still lacks a comprehensive Theory of change that integrates environmental management, climate and disaster resilience with measures against inequalities, unemployment and livelihood issues, with an effective focus on vulnerable groups and youth.

Conclusion 3. Democratic governance – UNDP has significantly contributed to the consolidation of Bhutan’s parliamentary democracy. It has helped governance institutions and communities exercise the principles of democratic governance at national and local levels, with a focus on inclusiveness, transparency, accountability and evidence-based decision-making. UNDP remains well positioned to provide further contributions to institutional strengthening mainly of civil service, local governance, Parliament’s oversight role and Monitoring and Evaluation of the 12th FYP, but has yet to develop an adequate theory of change for when it is appropriate to invest short term and when there is need to focus more medium to long-term for sustainable governance outcomes.

Conclusion 4. Gender equality and women’s empowerment – UNDP is broadly recognized for its efforts in advancing gender mainstreaming in its work with partners. It has made important contributions to the development of legal and policy frameworks on gender equality. It has also strengthened communities and institutions to enhance gender equality and empowerment of women, but has been less successful in mobilizing sufficient resources and support to significantly impact women’s participation in the political process as well as in decision making positions in the civil service system and to impact change towards sustainably preventing and eliminating gender-based violence and women’s economic empowerment.

Conclusion 5. Funding - UNDP has developed a relatively realistic resource mobilization strategy but is struggling to create the necessary incentives to ensure its implementation and diversify sources of funding. UNDP has not yet effectively engaged with the private sector in Bhutan and in the region as a source of co-financing. And while some progress has been made, as reflected in the slight increase of Government Cost Sharing, UNDP has not been able to fully convince current and potential partners that Government Cost Sharing can be an advantageous way to support Government implementing their own priorities efficiently and effectively.

Conclusion 6. Human and Financial Management – UNDP has been able to improve its management efficiency ratio and results delivery. Nevertheless, financial and organizational constraints have reduced the operational team to its leanest. The current operational structure is effective, but not necessarily sustainable. Morale and motivation could suffer in the long run if there is no sign of additional support or additional efficiencies. Programme staff has also had to adapt to a new structure and would profit from additional training and mentoring to more adequately support UNDP strategic positioning and upstream policy advisory services.

Conclusion 7. Coordination – Delivering as One in Bhutan has not led to much increased coherence of programmes or the agencies working more effectively together to highlight cross-cutting issues, strengthen synergies, reinforce complementarities, and remove duplication to enhance efficiency and effectiveness in achieving focused results. There is still scope for developing more effective results oriented management practices and mechanisms to build bridges and promote harmonization between UNDP, other UN agencies and its development partners.

5.2 Recommendations

Recommendation 1. Strategic Positioning - Given the graduation to MIC status, Bhutan Country Office will need to strengthen its strategy to better support Bhutan deal with development challenges ahead. This will require preparing the Country Office for even more upstream policy work and gradually scale up Government Cost Sharing, private sector and other innovative Co-financing (i.e. implement WB/ADB loans), for downstream work. Furthermore, UNDP will need to develop clear Theories of Change with the proper system thinking to ensure more efficient and effective investment of its limited resources and the sustainability of results. Focus should be on capacity development and strengthening of cross-sectorial synergies by integrating the areas where it can most add values to contribute to the SDGs, with special focus on leaving no one behind. There should also be even fewer or more focused projects. Piecemeal investment should be avoided, the impact of it being limited with beneficiaries and partners tending to criticize more than value the results. The assistance from the regional bureau and other Country Offices will be key to help Bhutan Country Office learn from the experiences in other countries that recently graduated.

Recommendation 2. Sustainable Development - UNDP should reconsider the rapid urbanization and consequently growing environmental and social vulnerabilities in its work to address environmental, climate change and disaster risks, livelihood and employment issues in urban areas. The approach should be comprehensive, increasingly making connections between rural livelihoods and urban systems, including through supporting job creation opportunities. A theory of change will be needed that integrates environmental management, climate and disaster resilience with measures against inequalities, unemployment and livelihood issues through innovations and technologies, with a clear focus on vulnerable groups and youth. To help with these linkages, UNDP should enhance partnerships with Civil Society Organizations, now that there is a clear recognition of their role in development and that existing partnerships have shown greater adaptability and responsiveness to grassroots-level issues. It should also look at engaging with the private sector, in the country and regionally, specifically on creating green jobs in three of the five Economic Development Policy jewels Cottage and Small Industries, Tourism and Agriculture – with special attention to generating employment and incomes among poor and vulnerable groups including women and the youth.

Recommendation 3. Democratic Governance – UNDP should develop a theory of change for immediate- and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening. UNDP is well positioned to put emphasis on supporting to improve accountability in the delivering of the 12th FYP. UNDP may focus on internal accountability through the strengthening of internal monitoring of the 12th FYP and/or external evaluation through the Parliament and community participation. Either option will need to be further supported by local public administration reform in the context of decentralization to align local government agencies' and officials' mandate and performance measurements with GNH and the SDGs.

Recommendation 4. Gender equality and Women's Empowerment - Given the challenge to fund gender equality and women's empowerment initiatives, when going beyond the expected gender mainstreaming, UNDP should focus its limited resources mostly towards more sustainable upstream contributions. If and when working downstream, UNDP should focus on capacity development for women's empowerment in the areas of decision-making and economic development, but in close alignment with UN Women and other agencies to avoid duplication and capitalize on synergies.

Recommendation 5. Funding - UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy. It should include proper training of select staff to engage with the private sector in Bhutan and in the region as a source of co-financing and to more clearly and effectively explain the mechanisms and advantages of Government Cost Sharing to current and potential partners in Bhutan.

Recommendation 6. Human and Financial Management - UNDP should continue to invest in internal training and mentoring and encourage backstopping roles within and across teams to help improve work and life balance, as well as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services. Staff should also commit to taking initiative to apply the learning and management should assess performance accordingly, as an effectively managed office is about teamwork which flows both ways, it is about staff having an entrepreneurial spirit, and not just about management providing opportunities. UNDP can also further improve efficiency by, when feasible, seeking services within the other UN agencies, instead of hiring consultants, to contribute to the implementation of components where they have a competitive advantage, to stimulate joint work, reduce costs and capitalize on synergies.

Recommendation 7. Coordination - UNDP is uniquely well positioned to continue to help lead the UN coordination in Bhutan and the integration among the UN agencies of SDG advocacy, prioritizing the GNH concept and objectives while advancing the Sustainable Development Goals focusing on leaving no one behind. However, this will require implementing the UN Secretary General's recommendations on repositioning the UN System to improve coordination and to develop a clear Theory of Change for a more focused programmatic approach to Delivering as One. Furthermore, the UN agencies would benefit from a common Monitoring and Evaluation officer to ensure that a common planning, monitoring and reporting framework exist, with improved attention to Results Based Management with fewer indicators with more adequate baselines. Such a position would reduce duplication of activities and transaction costs and enhance knowledge-sharing and synergies, not just to prove results but to improve results. The UN coordination should also invest in a strategy to better leverage financing for development and insist in joint agencies financing practices, especially for analysis, innovation (piloting) and advocacy for the Sustainable Development Goals. Furthermore, the UN coordination will need to improve communication within agencies, especially about funding opportunities, as well as ensuring the UNCT is better prepared to help Bhutan if/when natural disasters strike.

5.3 Management Responses

1. INTRODUCTION

The Independent Evaluation Office (IEO) of the United Nations Development Program (UNDP) conducts “Independent Country Programme Evaluations (ICPEs)”, previously called “Assessments of Development Results (ADRs),” to capture and demonstrate evaluative evidence of UNDP’s contributions to development results at the country level, as well as the effectiveness of UNDP’s strategy in facilitating and leveraging national effort for achieving development results. The purpose of an ICPE is to:

- Support the development of the next UNDP Country Programme Document
- Strengthen accountability of UNDP to national stakeholders
- Strengthen accountability of UNDP to the Executive Board

ICPEs are independent evaluations carried out within the overall provisions contained in the UNDP Evaluation Policy.⁴⁴ The IEO is independent of UNDP management and is headed by a Director who reports to the UNDP Executive Board. The responsibility of the IEO is two-fold: (a) provide the Executive Board with valid and credible information from evaluations for corporate accountability, decision making and improvement; and (b) enhance the independence, credibility and utility of the evaluation function, and its coherence, harmonization and alignment in support of United Nations reform and national ownership.

Following the first country programme evaluation conducted in 2007, this is the second country-level evaluation conducted by the IEO in Bhutan. The ICPE will be conducted in close collaboration with the Government of Bhutan, UNDP Bhutan country office, and UNDP Regional Bureau for Asia and the Pacific. Results of the ICPE are expected to feed into the development of the new country programme 2019-2023.

2. NATIONAL CONTEXT

The Kingdom of Bhutan is a small, landlocked country in the eastern Himalayas, bordered by China in the north and India in the south. With a total area of 38,394 km²,⁴⁵ it is the smallest state located entirely within the Himalaya mountain range, with a population of 789,207 (2017).⁴⁶

As one of the youngest democracies in the world, the government became Democratic Constitutional Monarchy⁴⁷ in 2008, where His Majesty the King is the Head of State. Since then Bhutan successfully conducted two elections and formed a democratic government. The Prime Minister is the Head of Government. The current Prime Minister is Mr. Tshering Tobgay, leader of the People’s Democratic Party, one of the major political parties in Bhutan, who took office in 2013.

The concept of ‘Gross National Happiness’ in Bhutan promotes a balanced approach to development that encompasses good governance, environmental conservation, cultural preservation and community vitality, in addition to traditional socioeconomic indicators. Building on the United Nations General Assembly

⁴⁴ See UNDP Evaluation Policy: www.undp.org/eo/documents/Evaluation-Policy.pdf. The ICPE will also be conducted in adherence to the Norms and the Standards and the ethical Code of Conduct established by the United Nations Evaluation Group (www.uneval.org).

⁴⁵ National Statistics Bureau, Royal Government of Bhutan, ‘Bhutan at a glance 2016’:
<http://www.nsb.gov.bt/publication/files/pub3kg7317hg.pdf>

⁴⁶ National Statistics Bureau, Royal Government of Bhutan:
<http://www.nsb.gov.bt/main/main.php#&slider1=4>

⁴⁷ The Constitution of the Kingdom of Bhutan.

resolution 65/309 on happiness, Bhutan has contributed to the global dialogue on holistic and sustainable development, including the United Nations post-2015 development agenda.

After an economic slowdown in 2013, Bhutan's GDP rebounded to a growth rate of 6.49 percent in 2015—0.75 percentage points higher than the 2014 growth rate.⁴⁸ This economic growth is projected to continue, reaching 8.2 percent in 2017, and 9.9 percent in 2018.⁴⁹ The economy of Bhutan is largely dependent on the sustainability of its natural resources, with hydropower, tourism, agriculture and forestry as the main sources of revenue. In 2015, agriculture and forestry share 16.7 percent of the country's GDP; however, it employed 59 percent of the country's working population,⁵⁰ and remains the primary source of livelihood for the majority of the population. Construction accounts for 15.6 percent of the country's GDP (2015), whereas it only employs 1.8 percent of the working population,⁵¹ due to the fact that many construction projects rely on Indian migrant workers, a practice that is slowly changing. The economy of Bhutan ties closely to India through monetary and trade linkages.

The GINI coefficient of Bhutan in 2013 was 0.381,⁵² indicating that the country has a low level of inequality. Nevertheless, with a per capita GDP of US\$2719.11 (2015),⁵³ Bhutan is classified as one of the world's least developed countries. In 2015, Bhutan's Human Development Index was 0.607, ranking it 132 out of 159 countries in the 2015 index.⁵⁴ Bhutan's HDI is below the average of 0.631 for countries in the medium human development group and below the average of 0.621 for countries in South Asia. In Bhutan, 12 percent of the population lives below the national poverty line.⁵⁵ In addition, the proportion of employed population below \$1.90 Purchasing Power Parity a day is 4.5 percent.⁵⁶ In urban areas, 77.9 percent of the population has access to improved sanitation facilities, whereas this rate is as low as 33.1 percent in rural areas, and 70 percent of the population lives in these rural areas.⁵⁷ Many young mothers and children under five are affected by chronic malnutrition; roughly one-third of children under the age of five suffer from some form of stunting.⁵⁸

Bhutan has shown progress on social indicators especially in health and education, but rapid changes in society have increased the vulnerability of some population groups, and the country is also vulnerable to natural disasters, climate change and urbanization that further challenge social outcomes. There are still significant gender challenges in Bhutan, with efforts underway to address legal and policy framework obstacles and/or gaps in promoting gender equality and women's empowerment. Domestic violence is an

⁴⁸ National Statistics Bureau, Royal Government of Bhutan, 'National Accounts Statistics 2016,' September 2016: <http://www.nsb.gov.bt/publication/files/pub1rt4291ni.pdf>.

⁴⁹ Asian Development Bank, 'Bhutan: Economy': <https://www.adb.org/countries/bhutan/economy>.

⁵⁰ National Statistics Bureau, Royal Government of Bhutan, 'Statistical Year Book of Bhutan 2016,' September 2016. http://www.nsb.gov.bt/publication/files/SYB_2016.pdf

⁵¹ Ibid.

⁵² World Bank, "World Development Indicators 2013." Washington, D.C.: World Bank. Data retrieved by UNDP Human Development Report Office in October 2013: <http://hdr.undp.org/en/content/income-gini-coefficient>

⁵³ National Statistics Bureau, Royal Government of Bhutan, 'National Accounts Statistics 2016,' September 2016: <http://www.nsb.gov.bt/publication/files/pub1rt4291ni.pdf>.

⁵⁴ UNDP, 'Human Development Report: Briefing note for countries on the 2016 Human Development Report – Bhutan.'

⁵⁵ National Statistics Bureau of Royal Government of Bhutan and UNDP, 'Bhutan Poverty Assessment 2014': <http://www.nsb.gov.bt/publication/files/pub2yu10210bx.pdf>

⁵⁶ Asian Development Bank, 'Poverty in Bhutan,' <https://www.adb.org/countries/bhutan/poverty>

⁵⁷ Source: UN data: <http://data.un.org/CountryProfile.aspx?cname=Bhutan>

⁵⁸ UNDP, CCPD 2014-2018.

issue and women and girls lag behind in literacy rates as well as participation in politics and in the labour forces.

Since the transition to a parliamentary democracy in 2008, the Government has sought to strengthen democratic governance and decentralization to improve effective service delivery and resilience to natural hazards and economic shocks.

3. UNDP PROGRAMME STRATEGY IN BHUTAN

Bhutan was admitted as a member of the United Nations on 21st September 1971. UNDP has been supporting the Royal Government of Bhutan (RGoB) and the Bhutanese people since 1973, although a local presence was only officially established only in 1979.⁵⁹

Bhutan became one of the pilot countries for the UN “Delivering as One (DaO)” in 2008. The current common country programme of UNDP, UNFPA and UNICEF covers 2014-2018, with a focus on (1) sustainable development, (2) essential social service, (3) gender equality, and (4) democratic governance and participation. The common country programme reflects the strategic priorities and approach of a ‘Delivering as One’ Programme to: (a) highlight cross-cutting issues; (b) strengthen synergies; (c) reinforce complementarities; and (d) remove duplication, in order to enhance efficiency and effectiveness in achieving focused results. The One programme also aims to reduce the review burden for the Government and expects participating organizations to harmonize their efforts and articulate areas of cooperation.

The UNDP programme contributes to all outcomes, but focuses on the outcomes 1 and 4, in a very cross-outcome, integrated and multidimensional approach; therefore, this will also be the focus of the ICPE. Outcome 1 covers sustainable development, but includes aspects of the relationship between poverty and environment, and how climate and disaster resilience affects poverty and employment opportunity, as well as green equitable, inclusive economic growth particularly for vulnerable groups, with special attention to gender equality and women’s empowerment. It also includes UNDP’s Global Environment Facility’s Small Grants Programme in Bhutan. Outcome 4 covers democratic governance, including components of development planning, mainstreaming of Agenda 2030 and the Sustainable Development Goals, justice, inclusiveness, transparency, as well as gender equality and women’s empowerment.

Country Programme Outcome		Indicative resources (US\$)
CCPD Outcome 1 UNDP Outcome 28	Sustainable and green economic growth that is equitable, inclusive, climate and disaster resilient and promotes poverty reduction, and employment opportunities particularly for vulnerable groups enhanced.	21,261,000
CCPD Outcome 4 UNDP Outcome 29/30	Governance institutions and communities exercise the principles of democratic governance at the national and local levels with a focus on inclusiveness, transparency, accountability and evidence-based decision making.	4,939,000
Total		26,200,000

Source: UNDP Bhutan Common Country Programme Document 2014-2018

⁵⁹ UNDP in Bhutan: http://www.undp.org/content/bhutan/en/home/operations/about_undp/

4. SCOPE OF THE EVALUATION

ICPEs are conducted in the penultimate year of the ongoing UNDP country programme in order to feed into the process of developing the new country programme. The ICPE will focus on the current programme cycle, i.e., 2014-2018, but given the first Bhutan country programme evaluation was conducted in 2007 (ADR), the evaluation will also follow up on the ADR recommendations, considering the cumulative results also of the previous programme cycle 2010-2014. Particular attention will be paid to projects running from the past programme cycles to assess the degrees of programme achievement.

As the country-level evaluation of UNDP, ICPEs will focus on the latest formal UNDP country programmes approved by the Executive Board. The country programmes are defined – depending on the programme cycle and the country – in the Common Country Programme Document (CPD) and the Country Programme Action Plan (CPAP). However, the scope of the ICPE includes the entirety of UNDP’s activities in the country and therefore covers interventions funded by all sources of finance, core UNDP resources, donor funds, government funds, etc.

Under the Delivering as One framework, UNDP Bhutan’s programmes are primarily delivered in participation of other UN agencies (e.g., joint programmes). The ICPE will focus on UNDP’s unique contributions as defined at the outcome level. However, it will also draw and, where feasible, harmonize its process (particularly stakeholder discussions and outreach with Government and other counterparts) with the UNDAF Evaluation taking place in the same timeframe. This will both maximize understanding of UNDP’s contribution to Delivering as One in Bhutan, and minimize impact on UNDP’s partners in Bhutan.

Initiatives from the regional and global programmes will be included in the scope of the ICPE. It is important to note that a UNDP county office may be involved in a number of activities that may not be included in a specific project. Some of these ‘non-project’ activities may be crucial for the political and social agenda of a country.

In line with UNDP’s gender mainstreaming strategy the ICPE will examine the level of gender mainstreaming across all programmes and operations. Gender disaggregated data will be collected, where available, and assessed against its programme outcomes.

The Evaluation will consider the relationship between UNDP’s environment, disaster, and climate interventions and people’s resilience. It will consider UNDP’s role in contributing to a stronger enabling environment that supports Bhutan’s vision of Gross National Happiness, including its approach to conservation and to the deepening of democracy. Based on an assessment of what has worked and what has not in terms of targeting benefits to vulnerable groups, its results will inform future targeting efforts by UNDP to help the Royal Government ensure no one is left behind as its development progresses.

Special efforts will be made to capture the role and contribution of UNV and UNCDF through undertaking joint work with UNDP. This information will be used for synthesis in order to provide corporate level evaluative evidence of performance of the associated fund and programme.

5. METHODOLOGY

The evaluation methodology comprises two components: (i) assessment of UNDP's contribution by thematic/programme area, and (ii) assessment of the quality of this contribution. The ICPE will present its findings and assessment according to the set criteria provided below,⁶⁰ based on an analysis by CCPD outcome area, in order to generate findings, broad conclusions and recommendations for future action.

151. **UNDP's contribution by programme areas.** The ICPE will assess the effectiveness of UNDP in contributing to development results of Bhutan through its programme activities. Specific attention will be paid to assess the contribution related to UNDP's overall vision of helping countries achieve poverty eradication, reducing inequalities, vulnerabilities and exclusion, and its contribution to furthering gender equality and women's empowerment.⁶¹

152. **The quality of UNDP's contribution.** The ICPE will also assess the quality of UNDP's contribution based on the following criteria:

- a) Relevance of UNDP's projects and outcomes to the country's needs and national priorities;
- b) Efficiency of UNDP's interventions in terms of use of human and financial resources; and
- c) Sustainability of the results to which UNDP contributed.

UNDP's strategic positioning will be analyzed from the perspective of the organization's mandate and the agreed upon and emergent development needs and priorities in the country. This will entail analysis of UNDP's position within the national development and policy space, as well as strategies used by UNDP to maximize its contribution and keep. The issues covered in the assessment will include, e.g. UNDP's response to emerging issues and how UNDP has accompanied the pace of changes in the same way that Bhutan has; whether the nature of support has changed with development needs and what needs to further change; its comparative strengths and use of partnerships (vis-à-vis other UN agencies especially within the DaO framework, donors, and national partners) in moving important national development discussions forward; UN-level coordination, also drawing on the UNDAF Evaluation; and prioritization of programme focus areas. In addition, the ICPE will examine how managerial practices impacted achievement of programmatic goals.⁶²

The ICPE will examine how specific factors explain UNDP's performance, namely the engagement principles and alignment parameters of the 2014-2017 UNDP Strategic Plan.⁶³ For example, in addition to assessing UNDP's contribution to gender equality and women's empowerment, the evaluation will assess gender mainstreaming as a factor of UNDP's performance for each country programme outcome.⁶⁴

In assessing the above, the evaluation will take into account country-specific factors that may have impacted and contributed to UNDP's performance, including:

⁶⁰ Further elaboration of the criteria can be found in ICPE Manual 2011.

⁶¹ Using the UN System-Wide Action Plan (UN SWAP) to improve gender equality and the empowerment of women across the UN system.
www.unwomen.org/~media/Headquarters/Attachments/Sections/How%20We%20Work/UNSystemCoordination/UN-SWAP-Framework-Dec-2012.pdf

⁶² This information is extracted from analysis of the goals inputted in the Enhanced RBM platform, the financial results in the Executive Snapshot, the results in the Global Staff Survey, and interviews at the management/operations in the country office.

⁶³ The Strategic Plan 2014-2017 engagement principles include: national ownership and capacity; human rights-based approach; sustainable human development; gender equality and women's empowerment; voice and participation; South-South and triangular cooperation; active role as global citizens; and universality.

⁶⁴ Using inter alia the Gender Marker data and the Gender Seal parameters based on UNDP.

- UN DaO framework;
- Landlocked LDC in the process of moving towards graduation;
- Multidimensional cross outcomes approach with focus on relationships between poverty, environment, planning, governance, gender equality and women’s empowerment;
- The Sustainable Development Goals (SDG)/Agenda 2030, closely related to the four pillars of the Gross National Happiness index (economic self-reliance, environmental conservation, cultural preservation and promotion, and good governance);
- Natural occurrences such as monsoons, and disasters, such as flooding and earthquakes, affecting investments in place;
- Declining, limited core resources (both at UNDP and UN One Fund) at the same time as an increase in non-core financing, reflecting a shift in both the nature of financing and the core to non-core ratio of UNDP Bhutan’s programme delivery.

The ICPE is conducted at the outcome level. A Theory of Change (ToC)⁶⁵ approach will be applied in consultation with the stakeholders, where appropriate. Discussions of the ToC will focus on mapping the assumptions made about a programme’s desired change and causal linkages expected and these will form a basis for the data collection approach that will verify the theories behind the changes found. Where data gaps are apparent, a qualitative approach will be taken to fill those gaps to aid in the evaluation process. Early feedback will be provided to feed into the UNDAF Evaluation timeline. An outcome analysis paper will be developed for each of the two programme areas, using a standard IEO template, with also a final cross-cutting gender analysis in the final report. Inputs from all outcome analysis papers are synthesized prior to the formulation of conclusions and recommendations.

6. DATA COLLECTION

Assessment of data collection constraints and existing data. An evaluability assessment was carried out in order to understand potential data collection constraints and opportunities. The assessment outlined the level of evaluable data that is available. The Evaluation Resource Center information indicates that 16 decentralized evaluations were carried out for the 2010-2014 cycle and for the 2015-2018 cycle to date 3 evaluations were completed. With respect to indicators, the CCPD, UNDP Results-Oriented Annual Report (ROAR) and the corporate planning system associated with it also provide baselines, indicators, targets, as well as annual data on the status of the indicators. There is good availability of UNDP project documents, monitoring reports and good historical record of the staff of the Office. In summary, based on documentary research, discussions with the CO and RBAP and given the existence of at least 19 evaluations, in addition to the program-level baseline represented by the ADR from 2007, the systematization and availability of documentation, evaluability is generally good.

⁶⁵ Theory of Change is an outcome-based approach which applies critical thinking to the design, implementation and evaluation of initiatives and programmes intended to support change in their contexts. At a critical minimum, theory of change is considered to encompass discussion of the following elements: (1) context for the initiative, including social, political and environmental conditions; long-term change that the initiative seeks to support and for whose ultimate benefit; process/sequence of change anticipated to lead to the desired long-term outcome; and (2) assumptions about how these changes might happen, as a check on whether the activities and outputs are appropriate for influencing change in the desired direction in this context; diagram and narrative summary that captures the outcome of the discussion. Source: Vogel, Isabel, “Review of the use of ‘Theory of Change’ in International Development” (April 2012), DFID.

Data collection methods. The evaluation will use data from primary and secondary sources, including desk review of documentation and interviews with key stakeholders, including beneficiaries, partners and managers. Specific evaluation questions for each criteria and the data collection method will be further detailed and outlined in the outcome analysis papers. Special attention will be given to integrate a gender equality responsive approach to the evaluation methods and reporting. A multi-stakeholder approach will be followed and interviews will include government representatives, civil-society organizations, private-sector representatives, UN agencies, multilateral organizations, bilateral donors, and beneficiaries of the programme. Focus groups will be used to consult some groups of beneficiaries as appropriate.

A list of projects for in-depth reviews will be developed based on a purposive sampling. The criteria for selection include programme coverage (a balanced selection of key focus areas/issues under each outcome), maturity, budgetary and geographical considerations, and the gender marker.⁶⁶ Attention will be paid to include both flagship projects of significant significance, outreach, and visibility, as well as those that experienced challenges.

The IEO and the country office will identify an initial list of background and programme-related documents which will be posted on an ICPE SharePoint website. The following secondary data will be reviewed: background documents on the national context, documents prepared by international partners during the period under review and documents prepared by UN system agencies; programme plans and frameworks; progress reports; monitoring self-assessments such as the yearly UNDP Results Oriented Annual Reports (ROARs); and evaluations conducted by the country office and partners. The ICPE will also support, where possible and appropriate, the ongoing data collection endeavors being undertaken by UNDP projects for outcome monitoring.

Validation. The evaluation will use triangulation of information collected from different sources and/or by different methods to ensure that the data is valid.

Stakeholder involvement. At the start of the evaluation, a stakeholder analysis conducted to identify all relevant UNDP partners, as well as those who may not work with UNDP but play a key role in the outcomes to which UNDP contributes. Each outcome analysis paper will also develop a stakeholder analysis within the scope of the outcome.

7. MANAGEMENT ARRANGEMENTS

Independent Evaluation Office of UNDP: The IEO will conduct the ICPE in consultation with the UNDP Bhutan country office, the Regional Bureau for Asia and Pacific and the Government of Bhutan. The IEO lead evaluator will manage the evaluation and coordinate the evaluation team. The IEO will meet all costs directly related to the conduct of the ICPE.

Government of Bhutan: Key government counterparts of UNDP in Bhutan will facilitate the conduct of ICPE by: providing necessary access to information sources within the government; safeguarding the independence of the evaluation; and jointly organizing the final stakeholder meeting with the IEO when it is time to present findings and results of the evaluation. Additionally, the counterparts will be responsible within Government for the use and dissemination of the final outputs of the ICPE process.

⁶⁶ The gender marker, a corporate tool at UNDP, is assigned for all projects, using scores from 3 to 0. A score of 3 means the project has gender equality as the main objective; a 2 indicates that the intended outputs that have gender equality as a significant objective. A 1 signifies outputs that will contribute in some way to gender equality, but not significantly, and a 0 refers to outputs that are not expected to contribute noticeably to gender equality.

UNDP Country Office in Bhutan: The country office will support the evaluation team to liaise with key partners and other stakeholders, make available to the team all necessary information regarding UNDP’s programmes, projects and activities in the country, and provide factual verifications of the draft report on a timely basis. The country office will provide the evaluation team support in kind (e.g., arranging meetings with project staff, stakeholders and beneficiaries; and assistance for the project site visits). To ensure the independence of the views expressed, country office staff will not participate in interviews and meetings with stakeholders held for data collection purposes.

UNDP Regional Bureau for Asia and Pacific: The UNDP Regional Bureau for Asia and Pacific will support the evaluation through information sharing and will also participate in discussions on emerging conclusions and recommendations.

Evaluation Team: The IEO will constitute an evaluation team to undertake the ICPE with expertise in integrating a gender and human rights based approach to evaluations. The IEO will ensure a gender balanced team which will include the following members:

- **Lead Evaluator (LE):** IEO staff member with overall responsibility for developing the evaluation design and terms of reference; managing the conduct of the ICPE, preparing/finalizing the final report; and organizing the stakeholder workshop, as appropriate, with the country office.
- **Associate Lead Evaluator (ALE):** IEO staff member with the general responsibility to support the LE, including in the preparation of terms of reference and the final report. Together with the LE, the ALE will help backstop the work of other team members
- **Consultants:** Two External, independent consultants (preferably national, but regional/international will be considered, as needed) will be recruited to assess the two broad outcome areas. They will also cover cross-cutting areas, such as rights and capacity building with particular attention on gender equality and women’s empowerment. Under the guidance of LE/ALE, they will conduct preliminary research, plan data collection activities, prepare outcome analysis papers, and contribute to the preparation of the final ICPE report.
- **Research Assistant:** A research assistant based in the IEO will provide background research and documentation.

The roles of the different members of the evaluation team can be summarized in Table 2.

Table 2: Data collection and reporting responsibilities	
Outcome	Responsible
Outcome (1) 28	Sustainable Development Specialist (backstopped by ALE)
Outcome (4) 29 and 30	Democratic Governance/Gender Specialist (backstopped by LE)
Strategic positioning	LE (Inputs from Specialists)
Operations and management issues	ALE (Inputs from LE)

8. EVALUATION PROCESS

The evaluation will be conducted according to the approved IEO process as outlined in the *ICPE Methodology Manual*. The following represents a summary of key elements of the process. Four major phases provide a framework conducting the evaluation.

Phase 1: Preparation. The IEO prepares the TOR and the evaluation design and additional evaluation team members, comprising international and/or national development professionals, will be recruited once the TOR is complete.

Phase 2: Data collection and analysis. The phase will commence in June. An evaluation matrix with detailed questions and means of data collection and verification will be developed to guide data collection. The following process will be undertaken:

- Pre-mission activities: Evaluation team members conduct desk reviews of reference material, and prepare a summary of the context and other evaluative evidence, and identify the outcome theory of change, outcome-specific evaluation questions, gaps and issues that will require validation during the field-based phase of data collection
- Data collection mission: The evaluation team will undertake a mission to the country to engage in data collection activities. The estimated duration of the mission is a total of 2-3 calendar weeks. Data will be collected according to the approach outlined in Section 6 with responsibilities outlined in Section 7.

Phase 3: Synthesis, report writing and review. Based on the outcome analysis papers, the LE will undertake a synthesis process. The first draft of the ICPE report will be prepared and subjected to the quality control process of the IEO. Once cleared by the IEO, the first draft will be further circulated with the country office and the UNDP Regional Bureau for Asia and Pacific for factual corrections. The second draft, which takes into account factual corrections, will be shared with national stakeholders for review.

The draft report will then be shared at stakeholder workshop where the results of the evaluation will be presented to key national stakeholders. Moreover, the ways forward will be discussed with a view to creating greater ownership by national stakeholders in taking forward the recommendations from the report, and to strengthening accountability of UNDP to national stakeholders. Taking into account the discussion at the stakeholder workshops, the final evaluation report will be prepared. The UNDP Bhutan country office will prepare the management response to the ICPE, under the oversight of the regional bureau.

Phase 4: Production, dissemination and follow-up. The ICPE report and brief will be widely distributed in both hard and electronic versions. The evaluation report will be made available to UNDP Executive Board by the time of approving a new Country Programme Document. It will be distributed by the IEO within UNDP as well as to the evaluation units of other international organisations, evaluation societies/networks and research institutions in the region. The Bhutan country office and the Government of Bhutan will disseminate the report to stakeholders in the country. The report and the management response will be published on the UNDP website⁶⁷ as well as in the Evaluation Resource Centre. The regional bureau will be responsible for monitoring and overseeing the implementation of follow-up actions in the Evaluation Resource Centre.⁶⁸

9. TIMEFRAME FOR THE ICPE PROCESS

The timeframe and responsibilities for the evaluation process are tentatively⁶⁹ as follows:

Table 3: Timeframe for the ICPE process

⁶⁷ web.undp.org/evaluation

⁶⁸ erc.undp.org

⁶⁹ The timeframe is indicative of the process and deadlines, and does not imply full-time engagement of the evaluation team during the period.

Activity	Responsible party	Proposed timeframe
Phase 1: Preparation		
TOR – approval by the Independent Evaluation Office	LE	May
Selection of other evaluation team members	LE	May
Phase 2: Data collection and analysis		
Preliminary analysis of available data and context analysis	Evaluation team	June
Data collection and preliminary findings	Evaluation team	Mid-July
Analysis and finalization of outcome analysis papers	Evaluation team	Late July
Phase 3: Synthesis and report writing		
Synthesis	LE	August
Zero draft ICPE for clearance by IEO	LE	September
First draft ICPE for CO/RB review	CO/RBAP	October
Second draft shared with GOV	CO/GOV	October
Draft management response	CO/RBAP	October
Stakeholder workshop	CO/LE	November
Phase 4: Production and Follow-up		
Editing and formatting	IEO	November
Final report and Evaluation Brief	IEO	November
Dissemination of the final report	IEO/CO	November

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Annex 3 – People consulted

Government of Bhutan

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Pema Chhoki, Member, Bumthang Women's Tailoring Cooperative and RENEW core volunteer member
Phurpa, Business community representative and RENEW core volunteer member

Karma Chhoden, Administrative Officer, Bumthang Hospital and RENEW core volunteer member
Kumbu Dema, Internal Auditor and RENEW Coordinator
Yeshey Nidup Operator & Technician, Sengor Community-based Micro Hydel
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Jangchup Choephel Dorji, Engineer, National Centre for Hydrology & Meteorology
Tshewang Rigzin, Engineer, National Centre for Hydrology & Meteorology
Pema Wangyel, Engineer, National Centre for Hydrology & Meteorology
Sonam Rabteb, Deputy Project Manager, National Centre for Hydrology & Meteorology
Tashi Yangzom Dorji, Programme Director, National Biodiversity Center, Serbithang
Mani Prasad Nirula, National Biodiversity Center, Serbithang
Rinchen Dorji, National Biodiversity Center, Serbithang
Jigme Dorji, National Biodiversity Center, Serbithang

Asta M. Tamang, National Biodiversity Center, Serbithang

Chencho Dorji, National Biodiversity Center, Serbithang

Civil Society Organizations

Aum Rinchen Wangmo, Program Manager, Royal Society for Protection of Nature

Phurpa Dorji, Sr. Programme Officer, Royal Society for Protection of Nature

Aum Chime P. Wangdi, Secretary General, Tarayana Foundation

Passang Tshering, Executive Director, Bhutan Toilet Organization

Tandin Wangmo, Executive Director, RENEW

Nedup Tshering, Executive Director, Clean Bhutan

Aum Pema Lhamo, Executive Director, Bhutan Transparency Initiative

Namgay Dorji, Senior Coordinator, Ability Bhutan Society

Aum Damchae Dem, Chief Executive Officer, Bhutan Association of Women Entrepreneurs

Deki Zam, Executive Director, Draktsho Vocational Training Center for Special Children and Youth

Sonam Gyamtsho, Executive Director, Disabled Persons Association of Bhutan

Private Sector

Karma Yonten, Founder, Greener Way

Ritesh Gurung, Green Road

Ugyen, General Manager, Bio Bhutan

Nobin Gurung, Accountant & Administrator, Bio Bhutan

Namgay Dopu, Purchasing Head, Bio Bhutan

Sherab Tenzin, Head, Menjong Sorig Pharmaceuticals

Ugyen Phuntsho, Finished Goods store in-charge, Menjong Sorig Pharmaceuticals

Samten, Research & Dev. In-charge, Menjong Sorig Pharmaceuticals

International Organizations, Donors and Partners

Tenzin Lhaden, Economist, World Bank

Ramesh Chhetri, Programme Manager, Austrian Development Agency

Jamba Tobden, Project Manager, Institute for GNH Studies (IGNHaS)

UNDP Bhutan

Chimi Rinzin, Portfolio Manager, Climate Change Adaptation & Disaster Risk

Nawaraj Chhetri, Portfolio Manager, Climate Change Mitigation & Energy
Sonam Rabgye, Program Analyst, UNDP-UNEP Poverty Environment Initiative
Ugyen Dorji, Climate Change Policy Specialist
Namgay Wangchuk, Portfolio Manager, Inclusive Governance
Jigme Dorji, Portfolio Manager, Economic Integration and Innovation
Niam Collier-Smith, Deputy Resident Representative
Phurpa Tshering, Operations Manager
Gerald Daly, Resident Representative
Choney Wangchuk, Human Resources Associate
Rinzin, Finance Associate
Tshering L. Yangki, Programme Associate, Inclusive Governance & Climate Change Adaptation
Wangchen Norbu, Programme Associate, Economic Integration and Innovation
Tshering Penjor, Project Officer, Climate Change Mitigation & Energy
Sonam Y. Rabgye, Programme Analyst, Economic Integration and Innovation
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Tshering Phuntsho, National Co-ordinator, Small Grants Programme
Ngawang Gyeltshen, Programme Co-ordinator, Economic Integration and Innovation

UNCT Bhutan

Kesang Choden Phuntsho, Coordination Officer and Head of the RCO
Hiroshi Kuwata, Special Assistant to the Resident Coordinator
Chadho Tenzin, Assistant Representative, FAO
Rudolf Schwenk, Representative, UNICEF
Suraj Pradhan, Operations Manager, UNICEF
Aniruddha Kulkarni, Child Protection Specialist, UNICEF
Yeshey Dorji, Assistant Resident Representative, UNFPA
Rinzi Pem, National Coordinator, UN WOMEN
Dechen Dorji, Country Representative, WWF
Udaya Sharma, Programme Associate, WFP
Chado Tenzin, Officer in Charge, WFP
Dungkhar Dukpa, Programme Officer, WFP

Dr. Suraj Man Shrestha, Medical Officer, WHO

Annex 4 – Selected Projects

Project Number	Project Title	Start	End	Total expenditure (2010-2017)
<i>Outcome 1 – Sustainable Development</i>				
00059841	Reduce CC Induced risks	2008	2014	3,538,460
00060580	Results Based Planning	2008	2016	558,369
00060814	Labour Market Analysis	2008	2013	594,811
00062290	Formulation of Policy Framework	2008	2013	567,181
00069169	Food Security	2009	2013	469,209
00076640	Rural Biomass Energy	2012	2016	1,892,681
00077618	Joint Support Programme	2011	2013	219,167
00081353	National Human Settlement Policy	2012	2013	52,988
00081970	National Environment Strategy	2012	2013	19,865
00082211	Low Emission Capacity Building	2012	2017	1,000,134
00088072	Address Climate-induced Risks	2014	2018	9,912,729
00088280	Climate Risk Management in Bhutan	2014	2014	241,025
00088341	PEI Bhutan	2013	2017	265,024
00089425	Youth Employment & Innovation	2014	2016	356,287
00089504	Revision of NE Strategy	2014	2015	273,556
00089646	Income Generation	2014	2017	590,840
00090375	Access & Benefit Sharing	2014	2018	798,415
00092075	Capacity Building in Disaster	2014	2017	221,394
Total Expenditures – Sustainable Development				21,572,134
<i>Outcome 3 – Gender</i>				
00057208	Mainstreaming Gender support	2007	2013	96,202
00069524	Women's Empowerment	2009	2013	123,764
00075486	Poverty Alleviation of R/Women	2008	2013	253,595
00077680	Promoting Women's Leadership	2011	2013	565,033
00089481	Women's Participation	2014	2017	820,293
Total Expenditures – Gender				1,858,887
<i>Outcome 4 – Democratic governance</i>				
00060249	Strengthening the Media Sector	2008	2013	164,726
00061572	Support Royal Audit Authority	2008	2013	186,299
00069445	Local Governance Support	2009	2013	342,932
00069568	Support to National Legal	2009	2013	124,524
00070286	Support for Parliamentary	2009	2013	491,216
00074103	Support Bhutan Centre for Media	2009	2014	233,342
00074354	Support to Election Commission	2010	2013	160,048
00077719	Enhancing Government 2 Citizen	2011	2013	218,863
00083626	Internal Control Framework	2012	2013	90,560
00085447	Established independent Think	2013	2013	52,872
00089479	Access to Justice	2014	2016	177,921
00089480	Parliamentary Development	2014	2016	423,881
00089655	Civic Engagement & Accountability 2018 Gender Equality & Child	2014	2016	164,317
00092427	Protection	2014	2015	134,297
00092428	2018 Governance & Participation	2014	2016	259,939
00101885	Equal Access to Justice	2017	2018	61,455

00101886	Health & HIV Project	2017	2018	47,023
Total Expenditures – Democratic Governance				3,334,215

Annex 5 –Summary of Indicators and Status as Reported by Country Office ⁷⁰

Indicator	Baseline and source	Target	Status/Progress			Comment
			2014	2015	2016	
Outcome 1 – Sustainable Development - Sustainable and green economic growth that is equitable, inclusive, climate and disaster resilient and promotes poverty reduction, and employment opportunities particularly for vulnerable groups enhanced						
Total greenhouse gas emissions	2,085.84 Gg <i>National Greenhouse Gas Inventory (2012)</i>	Carbon Neutral	Some progress	Some progress	No Change	There is no update on the GHG inventory as of now. The data will be updated through the Third National Communication by 2017/2018. <i>IEO note: reported progress unclear, given baseline and latest data dates.</i>
			1,559.56 (2011)	1,559.56 (2011)	1,559.56 (2011)	
Poverty rate	Multi-dimensional poverty index: 25.8% Poverty rate: 15% Gini coefficient: 0.35 <i>Bhutan Living Standards Survey (2012)</i>	MPI: <15% Poverty rate: <10% Gini coeff: 0.3		Significant progress	No Change	Indicators remain the same. New poverty assessment is not yet conducted by the government.
			--	MPI: 12.7% Poverty rate: 12% Gini coeff: 0.35 (2014)	MPI: 12.7% Poverty rate: 12% Gini coeff: 0.35 (2014)	
Youth unemployment	Youth unemployment:	Youth unemployment:		Regression	Significant progress	

⁷⁰ Outcome indicators, baseline and reported progress were collected from the Corporate Planning System (Programme results) – Last accessed October 2017

and underemployment (sex disaggregated)	7.3% (female: 7.2%) Underemployment: 17.2% (monthly earning below Nu. 1,000) <i>Labour Force Survey (2012)</i>	5% (men and women) Underemployment: to be set	--	9.4% (2014)	2.5% (2016)	Overall unemployment fell from 2.6% to 2.5% from 2015 to 2016. Youth unemployment increased from 9.4% to 10.7% (female 12.7% in 2016). <i>IEO note: 2016 data refers to overall unemployment. Also, underemployment is not reported on.</i>
Indicator	Baseline and source	Target	Status/Progress			Comment
			2014	2015	2016	
Percentage of government expenditure for environment and disaster risk reduction	Public environment expenditure for 10th FYP: 6.63% (2008-2013) Disaster: 0.02% of total 10th FYP budget <i>Public Environmental Expenditure Review conducted by the Ministry of Finance (2014)</i>	PEE: 7.0% Disaster: 0.03%	--	Some Progress 6.63%	No Change 6.63%	PPE for the 9 th FYP was 7.57% (2009) and for the 10 th FYP was 6.63% (2014) The data for expenditure on DRR is not available for now. <i>IEO note: progress reported in 2015 is not evident, since there is no updated data. Comparison with 9th FYP seems to indicate a regression.</i>
Outcome 3 – Gender. Communities and institutions strengthened at all levels to achieve enhanced gender equality, empowerment and protection of women and children						
Number of gender responsive laws	0	3 (one legislation; two policies)	Some progress	Significant progress	Significant progress	<i>IEO note: CO listed all relevant legislation and policies passed for all</i>

and policies in place	<i>National Commission for Women and Children (2012)</i>		1	3	8	<i>three years to illustrate progress. The list is long.</i>
Percentage of women accepting domestic violence	68 <i>National Commission for Women and Children & RENEW (2012)</i>	55	No change 68	No change 68	Regression 74	2016: According to CEDAW report (CEDAW/C/BTN/CO/8-9) of 18 November 2016, about 74 per cent of women believe that domestic violence is justified notwithstanding awareness programmes and activities undertaken by the State party; To validate the percentage, Nationwide study on violence against women led by National Commission for Women and Children will be commissioned in 2017.
Indicator	Baseline and source	Target	Status/Progress			Comment
			2014	2015	2016	
	0	80%	No change	Some progress	No change	

<p>Number of observations from the Convention on the Elimination of All Forms of Discrimination against Women incorporated into policies and programmes</p>	<p><i>National Commission for Women and Children (2014)</i></p>		<p>0</p>	<p>32</p>	<p>0</p>	<p><u>2015</u>: Of 42 total observations of the concluding Comments of the 7th CEDAW Periodic Report, 15 have been fully implemented, 17 partially implemented and 10 not implemented as of 2015. The observations which are not implemented are those observations related to amendment of definition of discrimination under the Constitution and the issues related to Nepalese refugee. Further, the observation related to ratification of other international treaties and conventions also falls under the non-implemented. The 8th and 9th CEDAW Periodic Report has been submitted in March 2015 by Bhutan.</p> <p><u>2016</u>: CEDAW 8 and 9 report submitted in November 2016. NCWC yet to conduct an assessment on the implementation status of CEDAW observations as of now.</p>
	<p>Bill with the National Council</p>	<p>--</p>		<p>Target reached</p>	<p>Significant progress</p>	

Enactment of domestic violence bill	<i>National Commission for Women and Children (2012)</i>		--	Bhutan adopted Domestic Violence Prevention Act in 2013	Domestic Violence Prevention Rules and Regulation, 2015 adopted.	
Indicator	Baseline and source	Target	Status/Progress			Comment
			2014	2015	2016	
Outcome 4 – Governance. Governance institutions and communities exercise the principles of democratic governance at the national and local levels with a focus on inclusiveness, transparency, accountability and evidence based decision-making.						
National Integrity Assessment Index	7.44 <i>Anti-Corruption Commission (2009)</i>	10	Some progress		No change	<p><u>2014</u>: The next NIA is planned for 2016/2017. The increase in the score is not, however, directly comparable as different methodologies were used in 2012 and 2009.</p> <p><u>2016</u>: ACC has initiated the assessment. Results expected in May 2017.</p> <p><i>IEO Note: Although 2014 report progress and refers to 2012 data, no data is provided. No updated data in 2016.</i></p>
Percentage of youth and women	None	Youth: 20%	No Change		Significant Progress	<u>2016</u> : data for Local Governance Election

(disaggregated) reporting participation in local and national decision-making	<i>Department of Local governance, Ministry of Home and Cultural Affairs (2012)</i>	Women: to be set	No data available to record progress		48.96% female voter turnout. 11.39% of female out of 1423 candidates (compared to 5.1% in 2011)	<i>IEO Note: No data provided on youth participation. 2016 data is compared to a seemingly different baseline that the one chosen for this indicator.</i>
Number of local governments implementing performance based budgeting	4 <i>Department of Local governance, Ministry of Home and Cultural Affairs (2012)</i>		Significant progress	Some progress	No change	<u>2015</u> : The work on Performance-based climate change adaptation grant is continuing in 8 LGs in 2015.
			8	8	8	<u>2016</u> : The target for this indicator is 105 geogs by 2020. Until 2015, 6 geogs and 2 Dzongkhags was supported through LGSDP, UNDCF. The remaining 97 geogs will be supported directly through LGSDP, EU fund. UNDP is not directly engaged in management of the EU component.