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United Nations Development Programme

Country: BHUTAN Project Document
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UNDAF Outcome(s) 4: By 2012, Institutional capacity and people's participation strengthened to ensure good governance. (MDG 1, 3, 8)

Expected CP Outcome(s) #1: 4 Transparency, efficiency, effectiveness, participation and accountability strengthened at all levels.; **5** Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities

Expected CPAP Output(s): 4.1 Better service delivery and increased access to information through promotion and implementation of e-governance at all levels; Access to information and transparency enhanced through strengthened role and capacity of the media; **5.1** MDG based monitoring and evaluation system integrated into the national M&E system through operationalization of the GNH indicators; **5.2** Data systems support enhanced utilisation of disaggregated data for MDGs and national priorities-based development.

Implementing partner: Gross National Happiness Commission Secretariat (GNHCS) and Centre of Bhutan Studies (CBS)

Responsible Parties: Centre for Bhutan Studies (CBS), Department of Local Governance (DLG, MoHCA), National Statistics Bureau (NSB)

Narrative

Bhutan has witnessed unparalleled political and administrative reforms over the last two years as part of its gradual transformation embracing core democratic principles. Beginning April 2008, the Royal Government of Bhutan (RGoB) formally marked the historic transition in the country's political system to a democratic constitutional monarchy. This democratization process has ushered further commitment to development processes and strengthened its approach to achieving Gross National Happiness (GNH), the country's predominant development philosophy, by securing a harmonious balance between physical, social, spiritual, psychological and cultural well-being of the individual and society. First ever democratic general elections took place in March 2008 with an 80% voter turnout, and have been broadly endorsed as fair by international observers.

The concept of GNH was initially expounded through the four pillars of 1) promoting good governance, 2) promoting equitable and balanced socio-economic development, 3) preserving cultural heritage, and 4) conserving natural environment. Over the last five year, the Centre for Bhutan Studies, through UNDP's assistance, has done a lot of research on GNH. It has broadened four pillars into nine domains of 1) good governance, 2) psychological wellbeing, 3) time use, 4) community vitality. 5) health, 6) education, 7) culture, 8) living standard, and 9) ecological diversity and resilience. GNH is a holistic and interdependent concept, and indicators of good governance crosscut eight other domains. Consideration of all nine domains into development process is crucial in promoting good governance and enhancing wellbeing of the Bhutanese people. The first national GNH survey conducted in 2007-20008 has resulted in the construction of a set of indicators for nine domains and one GNH index.

The survey results have been presented and shared to the key government stakeholders (planning divisions of government sectors and ministries), the GNH Commission (chaired by Prime Minister), national and international NGOs, development partners, and bilateral and multilateral agencies. It has also been shared to some educational institutes of higher learning. The government is presently in the process of adopting some key indicators of GNH as a baseline to access the progress of the government. Once the baseline indicators has been endorsed by the government, the key stakeholders, i.e., the people who will be responsible for integrating GNH indicators will have to be consulted and educated to ensure that the development leads to enhancing Gross National Happiness or holistic wellbeing, in which good governance plays an important role.

Against this backdrop, strengthening good governance is one of the core areas of Bhutan's 10th Five Year Plan (2008-2013). In keeping with the spirit of the results-based planning approach of the 10th Five Year Plan, GNHC has been mandated to develop a national planning, monitoring and evaluation (PLaMS) system. Integrating GNH indicators into the PLaMS for aligning the 10th Plan with GNH and the MDGs is one important work at hand. Having developed GNH indicators, GNH Index, and GNH project and policy selection tools, it has also become important to review GNH indicators and disseminate them to the stakeholders, and train them in the use of PLaMS.

The government has already approved the integration of GNH indicators (tools of selecting pro-GNH development policies and programmes). Integrating good governance indicators into PLaMS will not be enough without eight other domains. Therefore, it is important to integrate indicators of nine domains into PLaMS and mainstream GNH into public policies and programmes. There are challenges on bringing different stakeholders to coordinate and collaborate on integrating the GNH indicators, and creating awareness across the country. The urgent work now is to review and disseminate the existing indicators to stakeholders, mainly Planning and Policy Divisions of different sectors and district planning officers, and trains them in using tools and PLAMS system.

Therefore, the project will support not just the good governance indicators but rather will support the work on the integration of all the GNH indicators into the national planning and monitoring mechanism and provide a good governance assessment framework for the country.

The proposed project would therefore address:

- Bringing together the key stakeholders (mainly heads of Planning and Policy Division of different ministries and sectors and district planning officers) currently working in within the narrow sectoral walls, to a single platform;
- Reviewing, defining and integrating the GNH indicators into the national planning and monitoring mechanism.
- Strengthen capacity in developing, integrating and monitoring all the indicators across nine domains.

Programme Period: _2009-2011_
CPAP Programme Component: CT outcome 4.1; 4.3
Project Title: Integration of Gross National Happiness (GNH) indicators in the national planning and M&E system - GAP
Atlas Award ID: _____00070314___
Start date: 1 April 2009_____
End Date :   31 March 2011_____

LPAC   Meeting   Date: 16   March 2009_____

Estimated annualized budget: _____

Total resources required	$300,000
Total allocated resources:	$300,000
• Regular	$100,000
• Other:	
o Donor	$200,000
o Donor	_____
o Donor	_____
o Government _in-kind___	
Unfunded budget:	_____
In-kind Contributions	

Agreed by GNH Commission (Implementing Partner):

Secretary
GNH Commission

Agreed by Centre of Bhutan Studies (Implementing Partner):

Agreed by UNDP:

Resident Representative, a.i
UNDP Thimphu, Bhutan

I. ANNUAL WORK PLAN BUDGET SHEET

Year: 2009-2011

EXPECTED OUTPUTS And baseline, associated indicators and annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME (2009-2011)							RESPON SIBLE PARTY	PLANNED BUDGET		
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Funding Source	Budget Description	Amount
Output 1: Existing pro-poor and gender-sensitive GNH indicators mapped and reviewed through an inclusive participatory process.	1. Activity Result: Existing GNH indicators mapped and reviewed											
	Action 1: Support to map and review the existing GNH indicators	X	X						CBS	OR	TA, Travel, miscellaneous	$20,000
Baseline: 4 dimensions of governance exists	Action 2: Organize a workshop with the key national stakeholders involving parliamentarians, civil society, media and public to share the existing GNH indicators		X	X					CBS	OR	workshop	$15,000
Indicators: Existing GNH indicators mapped	Action 3: Consultative meeting with policymakers involved in the national planning, monitoring and evaluation system to review the indicators		X	X					CBS	OR	workshop	15,000
Targets: Existing GNH indicators mapped and shared with stakeholders												
Related CP outcome: 1.5.3; 4.1.1;4.1.3												

Output 3: GNH index and governance indicators integrated into the existing national planning and M&E mechanisms

Baseline: Not Available

Indicators: Develop guideline on governance inclusive M&E system

Targets : Integrated national M&E system

Related CP outcome: 1.5.1; 4.1.1,4.1.3;

Output 4: Nationwide sensitisation on the GNH index and national survey results.

Baseline: One national GNH indicator survey done by CBS

Indicators: # sensitisation events organised; # documentation on GNH indicators

Target : Awareness and advocacy of GNH indicators through # sensitisation events and publications

Activity / Action	Timeline	Responsible Party	Source	Budget Description	Amount
3. Activity Result: Governance indicators integrated into the existing national planning and M&E mechanisms.					
Action 1: Technical assistance to develop a guideline to integrate and mainstream GNH indicators into the national plan	X X	GNHC	OR	TA, Travel	$20,000
Action 2: Support to improve and update Gross National Happiness website by CBS	X	CBS	RR		$10,000
Action 3: Consultative workshops with the relevant stakeholders on mainstreaming and the integration process	X X	GNHC	RR	Workshop Travel and Misc.	10,000
4. Activity Result: Advocacy and sensitization on the GNH index to the public					
Action 1: Series of sensitisation and awareness through plenary discussions, debates and essay contest in nationwide scale to target schools, civil society, media and public on GNH indicators	X X X X X X	CBS	OR	Publications and Misc.	20000
Action 2: Production and documentation of information on the GNH indicators (audio visual, print and broadcast media)	X X X	CBS	RR	Documentation and Misc.	$20000

										Amount
Monitoring and TA	TA to support the project appraisal	X	X				X		UNDP/NE X	OR	5000
Monitoring and Evaluation		X	X	X	X	X	X	UNDP/NE X	RR	10000
General Management Support (7%)							X	UNDP/NE X	OR	14000
TOTAL										$300,000

II. MANAGEMENT ARRANGEMENTS

The project will be nationally executed (NEX). The Gross National Happiness Commission (GHNC), as the national coordination authority for aid management signs the project document and all project revisions with financial implications thereafter on behalf of the Royal Government of Bhutan. The GNH Commission and the CBS as the executing agencies will be responsible for implementing the project according to the Annual Work Plan (AWP) and for achieving results and will be financially accountable. The funds disbursed through the GNHC will be subject to regular audit by the Royal Audit Authority.

Steering Committee:

The Governance Assessment Project (GAP) Steering Committee will be established to ensure co-ordination and co-operation in terms of exchange of information/resources and to oversee the execution of overall programme activities. The committee will comprise senior level government officers from relevant agencies, namely,

- Centre for Bhutan Studies (CBS)
- Gross National happiness Commission Secretariat (GNHCS)
- United Nations Development Programme (UNDP)
- Department of Local Governance (DLG)
- National Statistical Bureau (NSB)

The GAP Steering Committee will meet bi-annually to discuss the programme progress and ensure the focus and direction of the assessment framework. The committee will be chaired by the Secretary, GNHCS. The specific tasks of the committee shall include:

- Approval of annual work plans and budgets, revised semi-annual plans, activities and budgets as required and requests for funds presented by the GAP implementation unit.
- Monitoring of overall implementation progress with a special focus on delays, problems and bottlenecks.
- Overseeing the results and follow up of audits carried out by the RAA as part of the overall external audit process of RGoB reports submitted.
- Approval of Terms of Reference for advisors and consultants (if any).
- Review of the project progress as presented by the project coordinator.

Project Coordinator

The project will be officially instituted within the PPD of GNHCS and a national project co-ordinator will be appointed to manage the project activities. The roles and responsibilities of the project co-ordinator include:

- Presenting Annual Work Plan, progress and any problem that affects the progress of the project to the project Steering Committee.
- Liaise with UNDP with regards to financial and technical resources
- Organizing and co-ordinating workshops and conferences related to the project

III. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

> - On a quarterly basis, a quality assessment shall be done, using the standard FACE form, record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

> - An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.

> - Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

> - Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.

> - a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

> - a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

> - The Project Coordinator will make a presentation on the status of the project to the SCM meeting organized bi annually

Annually

> - **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

> - **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Quality Management for Project Activity Results

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria. To be completed during the process "Defining a Project". This table shall be further refined during the process "Initiating a Project".

OUTPUT 1:		
Activity Result 1	*Map existing GNH indicators*	Start Date:

(Atlas Activity ID)			End Date:
Purpose	Existing pro-poor and gender-sensitive GNH indicators mapped and reviewed through an inclusive participatory process.		
Description	Map the existing GNH indicators and information shared with national stakeholders		
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*		**Date of Assessment** *When will the assessment of quality be performed?*
GNH indicators mapped	Documentation of the indicatiors		
Workshop organised	Feedback from workshop		
OUTPUT 2:			
Activity Result 1 **(Atlas Activity ID)**	*Strengthened capacity in analyses of GNH related indicators*		Start Date: End Date:
Purpose	Capacity at national and local levels strengthened to systematically analyse and report on GNH related indicators		
Description	Peer learning; capacity building for national statisticians and procurement		
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*		**Date of Assessment** *When will the assessment of quality be performed?*
Capacity building on statistical application and data analysis	Training conducted		
Peer learning			
OUTPUT 3:			
Activity Result 1 **(Atlas Activity ID)**	*GNH indicators integrated into the existing national-planning and M&E mechanisms*		Start Date: End Date:
Purpose	GNH indicators integrated into the existing national planning and M&E mechanisms		
Description	TA, workshop and website development		
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. what method will be used to determine if quality criteria has been met?*		**Date of Assessment** *When will the assessment of quality be performed?*
Guideline to integrate and streamline the GNH indicators developed	Guideline documented and implemented		
Website developed	Website accessible to public		
OUTPUT 4:			
Activity Result 1 **(Atlas Activity ID)**	*Advocacy and sensitization on the GNH indicators to the public*		Start Date: End Date:
Purpose	Nationwide sensitisation on the GNH indicators and national survey results.		
Description	Organisation of forums and debates, documentation		
Quality Criteria *how/with what indicators the quality of the*	**Quality Method** *Means of verification. what method will be*		**Date of Assessment** *When will the assessment*

activity result will be measured?	used to determine if quality criteria has been met?	of quality be performed?
GNH indicator awareness and sensitisation and events organised	Feedback and awareness building from events	
Audio visual documentation for youth and public		

IV. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

ANNEX 1: RISK ANALYSIS

Since there is high level of desire and commitment for good governance from the leaders at national as well as local level, the risk associated with the project is anticipated to be very minimal. Nevertheless, few issues that may arise during the process of building the framework that may negatively affect the success of the project are summarized in the table below:

Risks	Likelihood	Potential Impact	Risk-mitigation measures
Government resistance to change in indicators	Unlikely	Medium	Bring the CBS and GNHC on board and identify the potential improvements/refinements.
Lack of awareness and capacity in local leaders (elected & non-elected)	Possible	High	Involve the DYT and GYT chairmen, Dzongkhag Planning Officers and Geog Adm. Officers in the stakeholders meetings
Lack of adequate human resource in the development of the assessment framework	Possible	High	Train the national officers with the assistance from Oslo Centre for Democratic Governance
Lack of capacity in integrating the assessment framework into the national development plans and monitoring system.	Possible	High	Train the Planning Officers at the national level and local level
Framework not being gender inclusive	Unlikely	Medium	Collection of data through inclusion of women in workshops/meetings.
New governments demanding change in indicators/framework	Possible	High	Develop indicators based on the principles of GNH.
National governance reporting system not geared to handle good GNH indicators	Unlikely	Medium	Indicators will be integrated into the National M&E system.

Risks will also be monitored as part of the project monitoring system.