



**United Nations Development Assistance Framework/
Common Country Programme Action Plan
(UNDAF and cCPAP) 2008-2012**

Mid Term Review

Consolidated Report

Thimphu, Bhutan

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Table of Contents

Acronyms and Abbreviations	
Table 1: Expenditure/Delivery 2008/2009	03
Table 2: Bhutan's National Priorities and UNDAF Outcomes	05

Summarised Recommendations

Poverty Reduction	
Table 3: General Recommendations on Policy and Programme	07
Table 4: Recommendations on UNDAF/cCPAP Process	08
Health	
Table 5: General Recommendations on Policy and Programme	08
Education	
Table 6: General Recommendations on Policy and Programme	09
Governance	
Table 7: General Recommendations on Policy and Programme	09
Environment and Disaster Management	
Table 9: General Recommendations on Policy and Programme	10
Table 10: Recommendations on UNDAF/cCPAP Process	11
Gender Equality	
Table 11: General Recommendations on Policy and Programme	11
Table 12: Recommendations on UNDAF/cCPAP Process	12

A full Set of Recommendations

Poverty Reduction	
Table 13: General Recommendations on Policy and Programme	22
Table 14: Recommendations on UNDAF/cCPAP Process	24
Table 15: Recommendations for the Result Matrix under Outcome 1	24
Health	
Table 16: General Recommendations on Policy and Programme	29
Table 17: Recommendations for the Result Matrix under Outcome 2	29
Education	
Table 18: General Recommendations on Policy and Programme	34
Governance	
Table 19: General Recommendations on Policy and Programme	41
Table 20: Recommendations for the Result Matrix under Outcome 4	42
Environment and Disaster Management	
Table 21: General Recommendations on Policy and Programme	47
Table 22: Recommendations on UNDAF/cCPAP Process	48
Table 23: Recommendations for the Result Matrix under Outcome 5	48
Gender Equality	
Table 24: General Recommendations on for Gender Equality	51
Table 25: Recommendations on UNDAF/cCPAP Process	53
Table 26: Recommendations for the UNDAF Result Matrix	53
Table 27: Summary of Main Questions raised in MTR	56

ANNEX I. Rating Chart	58
ANNEX II. Financial Table	60
ANNEX III. Revised UNDAF/cCPAP Matrix	

Executive Summary	1
Key Findings	2
Delivering as One: Effectiveness and Efficiency	6
Key General Recommendations	6
Poverty Reduction	7
Health	8
Education	9
Good Governance	9
Environment and Disaster Management	10
Gender Equality	11
Introduction	13
1.1 The Process	13
1.2 Methodology	13
1.3 Situation Analysis Update	14
Review of the UNDAF Outcomes	16
2.1 UNDAF Outcome 1 - Poverty Reduction	16
Key Trends Since 2008	16
Overall Assessment of Progress Toward UNDAF Outcome 1 - Poverty Reduction	18
Key Achievements	18
CT Outcomes 1 and 2	18
CT Outcomes 3, 4 and 5	19
Overall Challenges in Poverty Reduction	21
Recommendations	22
2.2 UNDAF Outcome 2 – Health	24
Key Trends Since 2008	24
Overall Assessment of Progress Toward UNDAF Outcome 2- Health	26
Key Achievements	26
CT Outcomes 1 and 2	26
CT Outcome 3	27
CT Outcome 4	27
Overall Challenges in Health	27
Recommendations	29
2.3 UNDAF Outcome 3 – Education	30
Key Trends Since 2008	30

Overall Assessment of Progress Toward UNDAF Outcome 3 - Education	31
Key Achievements	31
CT Outcome 1	31
CT Outcome 2	32
CT Outcome 3	32
CT Outcome 4	33
Overall Challenges in Education	33
Recommendations.....	34
2.4 UNDAF Outcome 4 – Good Governance	35
Key Trends Since 2008.....	35
Overall Assessment of Progress Toward UNDAF Outcome 4 - Governance	36
Key Achievements	37
CT Outcome 1	37
CT Outcome 2	37
CT Outcome 3	38
CT Outcome 4	39
Overall Challenges in Good Governance.....	39
Recommendations.....	41
2.5 UNDAF Outcome 5 - Environment and Disaster Management	42
Key Trends Since 2008.....	42
Overall Assessment of Progress Toward UNDAF Outcome 5 - Environment and Disaster Management	43
Key Achievements	43
CT Outcome 1	43
CT Outcome 2	44
CT Outcome 3	45
CT Outcome 4	45
Overall Challenges in Environment and Disaster Management	46
Recommendations.....	47
2.6 Gender Equality.....	48
Assessment of Gender Equality as a Crosscutting Issue in the UNDAF/cCPAP	48
Key Achievements	49
Overall Challenges - Gender Equality	49
Recommendations.....	51
Delivering as One: Effectiveness and Efficiency.....	54
Conclusion	56

Acronyms and Abbreviations

ADB	Asian Development Bank
AGS	Annual Grants System
AIDS	Acquired Immune Deficiency Syndrome
AWP	Annual Work Plan
BDFC	Bhutan Development Finance Corporation
BLSS	Bhutan Living Standards Survey
BMIS	Bhutan Multiple Indicator Survey
CBS	Centre for Bhutan Studies
cCPAP	Common Country Programme Action Plan
CEDAW	Conv. on the Elimination of All Forms of Discrimination Against Women
CFS	Child Friendly School
CIC	Community Information Centre
CPB	Country Programme Board
CRC	Convention on the Rights of the Child
CSO	Civil Society Organization
CT	Country Team
DANIDA	Danish International Development Agency
DaO	Delivering as One
DHS	Demographic Household Survey
DLG	Department of Local Governance
DRM	Disaster Risk Management
ECCD	Early Childhood Care and Development
ECR	Extended Class Room
EPI	Expanded Programme of Immunization
EU	European Union
FAO	Food and Agriculture Organization
FYP	Five Year Plan
GAO	Geog Administration Officer

GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GFP	Gender Focal Point
GLOP	Glacial Lake Outburst Flood
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GoI	Government of India
HACT	Harmonized Approach to Cash Transfers
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HPV	Human Papilloma Virus
HWC	Human-Wildlife Conflict
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IGSP	Income Generation Start-up Programme
IMNCI	Integrated Maternal Newborn and Child Intervention Programme
IP	Implementing Partner
IYCF	Infant and Young Child Feeding
JICA	Japan International Cooperation Agency
LGSP	Local Governance Support Programme
M&E	Monitoring and Evaluation
MCGS	Micro Capital Grant Scheme
MCH	Maternal and Child Health
MDG	Millennium Development Goal
MEA	Multilateral Environmental Agreement
MGT	Multi Grade Teaching
MICS	Multiple Indicator Cluster Survey
MMR	Maternal Mortality Ratio

MoAF	Ministry of Agriculture and Forests
Moe	Ministry of Education
MoEA	Ministry of Economic Affairs
MoH	Ministry of Health
MoHCA	Ministry of Home and Cultural Affairs
MoIC	Ministry of Information and Communications
MoLHR	Ministry of Labour and Human Resources
MP	Member of Parliament
MSM	Men having Sex with Men
MSME	Micro Small and Medium Enterprise
MTR	Mid Term Review
MTSF	Multi-Sectoral Task Force
NCWC	National Commission for Women and Children
NER	Net Enrolment Ratio
NFE	Non-Formal Education
NGO	Non-Government Organization
NPAG	National Plan of Action on Gender
NSB	National Statistics Bureau
OAG	Office of the Attorney General
OCHA	Office for the Coordination of Humanitarian Affairs
OGTP	One Geog Three Products
PEE	Public Environment Expenditure
PEI	Poverty Environment Initiative
PlaMS	Planning and Monitoring System
PMTCT	Prevention of Mother to Child Transmission
PPP-ISWM	Public-Private Partnership for Integrated Solid Waste Management
RBM	Results Based Management
REAP	Rural Economic Advancement Programme
RGoB	Royal Government of Bhutan

RIHS	Royal Institute of Health Sciences
SAARC	South Asian Association for Regional Cooperation
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SNV	Netherlands Development Organization
STI	Sexually Transmitted Infection
TG	Thematic Group
UN	United Nations
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNV	United Nations Volunteers
UPR	Universal Periodic Review
VHW	Village Health Worker
WB	World Bank
WCPU	Women and Children Protection Unit
WFP	World Food Programme
WHO	World Health Organization
WWF	World Wildlife Fund

Executive Summary

The United Nations (UN) Bhutan, as self starter of Delivering as One (DaO), aims to increase its impact through more coherent programmes, reduced transaction costs for Implementing Partners (IPs) and lower overhead costs for the UN agencies. The United Nations Development Assistance Framework (UNDAF) is therefore the strategic document of the United Nations Country Team (UNCT) in its efforts to contribute more effectively to priorities laid out in the 10th Five Year Plan (10th FYP) of the Royal Government of Bhutan (RGoB).

The current UNDAF for Bhutan covers the period 2008-2012, as does its operational tool, the common Country Programme Action Plan (cCPAP). They are fully aligned with the 10th FYP. The UNDAF and cCPAP underline the dimensions of UNCT support and results in line with the priorities of the 10th FYP, as they were drawn from a series of highly consultative and participatory meetings the UNCT held with the RGoB and other stakeholders during the UNDAF/cCPAP formulation process.

The current UNDAF and the cCPAP highlight five priority areas of **Poverty Reduction, Health, Education, Good Governance, and Environment and Disaster Management**. Particular attention has been given to gender mainstreaming, which is a priority crosscutting issue common to all five strategic UNDAF areas. Also included are other crosscutting issues such as human rights, information and communications technology (ICT), and evidence-based planning and decision making.

Signatories to the UNDAF include the RGoB, FAO, IFAD, UNDP, UNEP, UNESCO, UNFPA, UNICEF, WFP and WHO. Signatories to the cCPAP are the RGoB and the six Resident and nine Non Resident UN Agencies, including FAO, IFAD, OCHA, UNAIDS, UNCDF, UNCTAD, UNDP, UNEP, UNESCO, UNFPA, UNICEF, UNIFEM, UNV and WFP.

The Country Programme Board¹ (CPB) has the overall responsibility for the implementation and monitoring of the UNDAF and cCPAP. The UNCT implements its UNDAF and cCPAP through five UNDAF Theme Groups (TGs) co-chaired by the respective Government institutions and UN Agencies. Co-chairs of the Poverty TG are the Ministry of Agriculture and Forest (MoAF) and UNDP; Health, Ministry of Health (MoH) and WHO; Education, Ministry of Education (MoE) and UNICEF; Governance, Gross National Happiness Commission (GNHC) and UNDP; and Environment and Disaster Management, Ministry of Home and Cultural Affairs (MoHCA) and UNDP.

The UNDAF TGs carried out the Mid Term Review (MTR) of the UNDAF and the cCPAP as per the decision taken by the CPB in January 2010. The objective of the MTR is to assess the continued relevance and effectiveness of the UNDAF and cCPAP, as well as to assess the UNCT's progress toward the realisation of UNDAF Outcomes. Therefore, the MTR takes stock of *changes* in development conditions in Bhutan. These changes are primarily an achievement of the RGoB, with the United Nations (UN) System in Bhutan together with other development partners, playing a supporting role in the context of the overall development assistance. The MTR combines an in-depth review of three priority areas with a self-assessment of all five Outcomes. Full Outcome Evaluations were prepared for: a) **Poverty Reduction**; b) **Gender Equality**; and c) **Decentralization**.

The review's emphasis is on identifying areas in which UN support went exceptionally well and areas where such support remains most needed and can be most effective. This should not be perceived as a lack of appreciation of the impressive and unique achievements of the RGoB over recent years and UN support to this end. It is simply a function of the forward-looking, needs-based orientation of this review. The review also reflects on coordination mechanisms put in place under Delivering as One to implement the UNDAF and cCPAP. In assessing achievements, particular attention has been given to a) mid-term progress; b) strategic clarity; c) relevance; and d)

¹ The CPB includes the Secretaries of Ministry of Economic Affairs, Ministry of Health, Ministry of Education, Ministry of Agriculture, Ministry of Home and Cultural Affairs and Gross National Happiness Commission.

sustainability. Consideration was also given to both the efficiency and the effectiveness of the UN agencies' support.

Overall, this MTR documents that the UNCT has valuable contributions to make to Bhutan's further development. The UNCT's support particularly has been crucial in improving social indicators, decentralization of service delivery and mainstreaming environment and disaster risk reduction issues. The review also records that the UNDAF partly became a "living process" and overall served adequately, and sometimes highly effectively, to strengthen strategic guidance, coherence and coordination among UN Agencies and their partners.

Now, the challenge is to further accelerate results-driven implementation of the UNDAF and cCPAP and strive for even greater coordination effectiveness using DaO, by addressing and implementing the MTR's recommendations. In doing so, the UNCT will set the stage for a strong UNDAF 2013-2017 that will offer the opportunity to respond to current and emerging needs, draw on combined UNCT strengths, identify potentials for synergy, and clarify RGoB and UNCT's specific roles, responsibilities and expected results.

This MTR Report has an executive summary and four chapters. The first chapter explains the process and methodology of the MTR and provides an update of the overall situation analysis; the second chapter presents details of the MTR findings for each UNDAF outcome; the third chapter reflects the effectiveness and efficiency of DaO; and the fourth and concluding chapter documents the main questions raised in the MTR. The Annexes present: I) the MTR's rating-chart for the Country Team (CT) Outcomes; II) an overview of financial detail according to the CT Outcomes; and III) the revised UNDAF/cCPAP Monitoring and Evaluation matrix.

Key Findings

The UNDAF 2008-2012 was developed in close consultation with the RGoB to assure its alignment with Gross National Happiness (GNH) and the national development priorities reflected in the 10th FYP. It is guided by the goals and targets of the Millennium Declaration of 2000 and was designed with sufficient flexibility built-in to address emerging national issues. The UNDAF is therefore the product of collaboration between the RGoB and the UNCT.

At this mid-point of UNDAF implementation, the majority of UNDAF Outcomes² and Country Team (CT) Outcomes³ are on track to be realized. In terms of individual CT Outcome rankings assessed by individual UNDAF Theme Groups (TGs), with 3 being good progress, 2 being satisfactory and 1 indicating more attention required, average rankings across all five UNDAF priority areas were:

- ⇒ 2.4 on Mid-term Progress
- ⇒ 2.3 on Strategic Clarity
- ⇒ 2.0 on Relevance
- ⇒ 1.8 on Sustainability

This indicates above-average progress on most key criteria for evaluation, although sustainability of achievements requires further strengthening.

² Five UNDAF Outcomes are aligned with national priorities on poverty reduction, health, education, governance, and environment and disaster management. Gender equality cuts across all five outcomes.

³ Each UNDAF Outcome has a number of Country Team (CT) Outcomes. There are altogether 21 CT Outcomes, which are UNCT's results that help realise five UNDAF Outcomes.

The Mid-term Progress captures the accomplishment made toward realizing the UNDAF Outcomes. The achievements include UNCT's financial delivery and outputs attained, as well as activities implemented so far for outputs that are still in progress. The UNCT delivered approximately US \$ **24.4 million** during the period of the UNDAF MTR from January 2008 to June 2010, with an average delivery of **73 percent**.

Among the specific contributions of the UNDAF toward national priorities, the following can be highlighted: Support to educating for GNH; strengthening local governance; enabling policy frameworks for private sector development; improving Bhutanese arts and crafts as an important means to alleviate poverty; and institutionalising biological corridors management.

More broadly, the UNDAF has contributed toward achieving the Millennium Development Goals (MDGs) by focusing on overall poverty reduction and job creation; ensuring better monitoring of MDG progress; supporting sustainable agricultural development and microenterprises; and enhancing food security. It has also contributed to reducing maternal and child mortality; achieving gender-balanced universal primary education; advancing women's empowerment and gender mainstreaming; reducing the spread of HIV/AIDS, tuberculosis and other communicable diseases; and strengthening national capacity for disaster management. As a specific example, capacity development of the National Statistics Bureau (NSB) and GNHC in macroeconomic research, evaluation methodologies, social policies, data collection, statistical analysis and data processing has improved quality and professionalism in data collection and information dissemination related to poverty and the MDGs.

The MTR also brings to light a number of issues that have not been fully considered in the current UNDAF and merit greater attention going forward, pertaining for example to climate change adaptation and mitigation; mainstreaming disaster risk reduction; waste management and urban environmental issues; rising youth and women's unemployment; child health with a particular focus on children younger than age three; women's enhanced participation in public decision-making; and gender-responsive budgeting.

Efficiency, for the purpose of this report, was measured on the basis of the resources delivered as opposed to resources mobilized. Overall delivery, as illustrated in the table below, stood at 87 percent in 2008 and 81 percent in 2009.

Table 1: Expenditure and Delivery (2008 – June 2010)

UNDAF Outcomes	2008		2009		2010 (January - June)	
	Total Expenditure	Delivery %	Total Expenditure	Delivery %	Total Expenditure	Estimated Delivery %
Poverty Reduction	\$ 1,753,706	66 %	\$ 2,244,091	91 %	\$ 1,193,074	94 %
Health	\$ 1,148,519	65 %	\$ 1,457,979	93 %	\$ 967,929	112 %
Education	\$ 2,109,530	48 %	\$ 3,099,788	72 %	\$ 1,435,384	65 %
Governance	\$ 1,153,851	47 %	\$ 1,844,892	79 %	\$ 854,585	77 %
Environment	\$ 1,195,139	47 %	\$ 3,209,819	97 %	\$ 820,396	64 %
Total	\$ 7,360,745	54 %	\$ 11,856,569	89 %	\$ 5,271,369	79 %

A full listing of core funds and funds mobilized, by Agency, indicates similar variations in fiscal resources.⁴ For example, in 2009 resource mobilization ranged up to 380 percent of the planned amount for addressing challenges faced by young people (UNDAF Outcome 3), 211 percent for strengthening institutional capacities to ensure good governance (UNDAF Outcome 4) and 176 percent of the planned amount for HIV/AIDS interventions (UNDAF Outcome 2), but it fell well short –

⁴ See Annex II for detailed funding matrices, by UNDAF Outcome.

in the range of 18 to 24 percent – for revision and implementation of the educational curricula, and 4.7 percent⁵ for improving access to sustainable energy and livelihoods for remote geogs.

In a number of cases, realized financial assistance has been insufficient to cover the cost of the projects and had to be supplemented by resources from the Expanded Funding Window of the MDG Achievement Fund mobilised through the UN Bhutan Country Fund under Delivering as One (DaO). Nevertheless, a major conclusion that can be drawn is that all UN Agencies, to differing degrees, have been able to mobilize funds, which indicates the Agencies' projects and programmes are viewed favourably by multilateral and bilateral donors.

Clarity was defined as whether the UNDAF has well articulated the UNCT's expected results, i.e. the UNDAF Outcomes, and how strongly they are linked to SMART (Specific, Measurable, Achievable, Relevant and Time-bound) indicators. The review shows that this is the area where most improvement is still needed.

The review has underscored the absence of SMART indicators for the Outcomes under all five priority areas. The UNDAF monitoring and evaluation (M&E) system will require further strengthening to ensure that agreed interventions under UNDAF Outcomes are on track and contribute to national priorities. The UN M&E Group is expected to reinforce the overall internal M&E process of UNDAF, which was weak during its formulation. The group should be technically strengthened further to this end.

In early 2009, the five TGs attempted to address challenges raised in attributing progress under the original UNDAF/cCPAP by revising the Results Matrix, including CT (Country Team) Outcomes and Outputs; identifying baseline indicators; and strengthening indicators overall. This has better aligned the UNDAF with 10th FYP sector targets for easy tracking. The revised results framework⁶ was approved by the GNH Commission (GNHC) and a UNCT-appointed task force. While baselines and outcome indicators are now better expressed in quantitative terms than earlier, they require further improvement and should be formulated using a SMART approach in the next UNDAF.⁷ Information on the results may be generated and used more effectively by the UNCT to manage the achievements under the UNDAF Outcomes.

Relevance, for the purpose of this review, describes how well the UNDAF responds to Bhutan's development priorities and whether the UNCT is strategically positioned to deliver its assistance more coherently and as per the national need.

Interestingly, the review documents that the UNDAF, in its strategic priorities, is fully aligned with national priorities; however, the overall rating on relevance of UNDAF and CT outcomes by TGs is only at satisfactory level. The UNDAF incorporates the normative programme principles of Human Rights Based Approach (HRBA), gender equality and environmental sustainability, as well as the operational principles of capacity development and Results Based Management (RBM). The UN approach is recorded as dynamic, needs-centred and consistent with Bhutan's overall development vision, articulated in its unique development paradigm of GNH. Therefore, though the current UNDAF is considered as relevant in responding to national priorities reflected in the 10th FYP and the Millennium Development Goals (MDGs); the overall rating on relevance of UNDAF outcomes as satisfactory indicates a mismatch of understanding among stakeholders or an existing need to support RGoB to address emerging issues.

⁵ This figure includes the years 2008-2010.

⁶ See Annex III.

⁷ See Results-Based Management at Country Level: Systemic Issues That Prevent Good UNDAF Results. Report prepared for United Nations Evaluation Group, March 2008.

The matrix below illustrates the synergies between GNH, the 10th FYP and the UNDAF.

Table 2: Bhutan’s National Priorities and UNDAF Outcomes

Gross National Happiness	10 th Five Year Plan	UNDAF Outcome
Sustainable and equitable socioeconomic development	Overall poverty reduction goal Synergizing rural-urban development for poverty alleviation Expanding strategic infrastructure	UNDAF Outcome 1: Poverty Reduction By 2012, opportunities for generation of income and employment increased in targeted poor areas (MDG1, 8)
	Investing in human capital	UNDAF Outcome 2: Health By 2012, increased access and utilization of quality health services with emphasis on reproductive health, maternal and child health, and nutrition, HIV/AIDS, TB, malaria and other non-communicable diseases (MDG4, 5, 6) UNDAF Outcome 3: Education By 2012, access to quality education for all, with gender equality and special focus on the hard-to-reach population, improved (MDG2, 3)
Preservation and promotion of culture	Vitalizing industry	UNDAF Outcome 1 Poverty Reduction, (as above)
Good governance	Enhancing the enabling environment through good governance	UNDAF Outcome 4: Good Governance By 2012, institutional capacity and people’s participation strengthened to ensure good governance (MDG1, 3, 8)
Environmental conservation	National spatial planning	UNDAF Outcome 5: Environment and Disaster Management By 2012, national capacity for environmental sustainability and disaster management strengthened (MDG7)

Sustainability, for the purpose of this review, explains how well the UNDAF meets Bhutan’s current needs as well as transcends constraints to meet the needs of the future. It was defined as durability of positive programme or project results after the termination of the technical cooperation.⁸

The UN interventions are implemented by national institutions, thereby ensuring national ownership. However, challenges in **sustainability** of UNDAF results exist in some programmes, particularly under UNDAF Outcomes 1 and 3, which will require further examination. Once programmes are subjected to an in-depth final evaluation, three elements come into play with regard to sustainability: a) the degree of transfer of technology and/or knowledge; b) the intensity and internalization of training; and c) political will.

With regard to **perceptions**, IPs generally appear to have a high regard for UN Agencies. In interviews with IPs and beneficiaries, they frequently cited responsiveness, neutrality, administrative efficiency and flexibility, as well as the UN’s understanding of the realities of Bhutan.

⁸ UNDP, Results-Oriented Monitoring and Evaluation, 1997.

Delivering as One: Effectiveness and Efficiency

With the RGoB's consent to capitalise on the UN strength and comparative advantages of different UN Agencies working in the country, the UN Bhutan became a Delivering as One (DaO) self starter. The aim was to deliver UN development assistance in a more coordinated way and provide more effective support to the realisation of national development priorities.

The MTR records that the DaO initiative has enabled the UN System to contribute more effectively to the 10th FYP goals. In turn, current UN interventions have become more relevant, strategically focused, responsive to local needs, and sustainable, with greater transparency and accountability, compared to previous efforts by individual Agencies.

The review underlines the improved management following the establishment of the five UNDAF Theme Groups (TGs). The mechanism of UNDAF TGs has helped the UN and RGoB members understand shared goals and strategies; and the joint RBM trainings to the UN and RGoB staff have helped foster a common understanding of development planning, monitoring and evaluation. Financial Guidelines were developed to address the issue of delay in fund transfers from the UN to Implementing Partners (IPs).

In addition, efficiency was increased by reducing Implementing Partners' (IPs) transaction costs related to administration. In doing so, the RGoB's own systems were used more systematically and effectively through development of 18-month rolling work plans with indicative resource figures for the last six months. This has led to an alignment of the RGoB's fiscal year and the UN's Annual Work Plan (AWP) period. The RGoB's Standard Progress Report (SPR) format was adopted for the periodic reporting requirement by IPs; and the UNDG ExCom Agencies introduced the Fund Authorisation Certification Expenditure (FACE) form to simplify financial reporting procedures for IPs, in compliance with the Harmonised Approach to Cash Transfer (HACT).

Under the UNDAF/cCPAP, a strong shift has occurred to joint AWP's and a reduction in number of AWP's. The MTR documents a 65 percent reduction in the number of workplans in 2008. The number went down from 60 projects to 22, and of these, nine were supported by two or more agencies. This included two large joint workplans with the Ministry of Health (MoH) and the Ministry of Education (MoE). This has saved staff members' time on project administration, thus allowing them to focus on actual development support.

However, **challenges** remain in numerous areas. Although the number of workplans and the IPs' transaction cost were reduced, Government co-chairs of the TGs note that costs in terms of time and effort needed for effective coordination have risen. Some TGs require additional support to become fully functional and effective in fulfilling their leadership role.

Though the Financial Guidelines were introduced to address the issue of delay in funds transfer, in all Outcomes, challenges faced at national as well as sub-national levels included delays in funds release by both the Government and the UNCT. And even though joint trainings on RBM were conducted for RGoB and UN staff members, capacity in implementation and management in terms of preparing SPR along with FACE forms is a concern. Some implementing partners continue to have low delivery rates. In addition, the MTR report highlights the importance of Non Resident Agencies' (NRAs) involvement, in quarterly review meetings, which also requires further attention.

Key General Recommendations

Key general recommendations by UNDAF Outcome and the crosscutting issue of Gender Equality are presented below. A full set of general recommendations and specific recommendations for the UNDAF/cCPAP Results Matrix are explained in Chapter II.

The general recommendations are divided into two main categories: recommendations on **Policy and Programme** and recommendations on **the UNDAF/cCPAP Process**. In addition, the recommendations under Policy and Programme are further divided into sub-categories for easy

reference. The sub-categories are: Planning and Programming; Capacity Building and Skill Development; Resource Mobilization and Management; Partnership and Coordination; and Advocacy and Awareness. Some general recommendations are meant to be addressed at the technical level of the UNCT and RGoB, whereas a few others will require higher-level intervention.

With regard to the timeline, many of the recommendations can be addressed in the remaining part of the current UNDAF cycle, and then continued in the next UNDAF 2013-2017. The UNCT and RGoB should decide on how to prioritize these recommendations. The next UNDAF should address the realization of all MDGs.

Poverty Reduction

Table 3: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Give priority to M& E activities and formulate SMART indicators. - Consider seasonal calendar of targeted communities and strengthen their absorptive capacity during programme design. - Use the analysis of the Bhutan Multiple Indicator Survey (BMIS) and small area estimate technique to address equity issues at Geog level. - Plan effective and sustainable skills development and job creation programme for youth. - Revisit the focus on handicraft in line with Economic Development Policy. 	Immediate and next UNDAF cycle
Capacity Building and Skill Development	<ul style="list-style-type: none"> - Build capacity of IPs, local consultancy firms and UN staff alike on study methodology and sampling. Conduct refresher trainings for IPs on RBM, M&E and Harmonised Approach to Cash Transfers (HACT). 	Immediate and next UNDAF cycle
Resource Mobilisation and Management	<ul style="list-style-type: none"> - Focus resources on fewer select regions or communities for delivering comprehensive services in a cost-effective and efficient manner. 	Next UNDAF cycle
Partnership and Coordination	<ul style="list-style-type: none"> - Improve UN partnerships with bilateral and multilateral donors to maximize synergy on capacity building and skills development programme. - Strengthen collaboration between UNCT and GNHC to promote and expand demand for data, as well as capacity to use data for policy development at national and district levels. 	Next UNDAF cycle
Advocacy and Awareness Raising	<ul style="list-style-type: none"> - Orient key Government agencies at decision-making level on social policy issues such as Human Rights, social transfer, migration and social budgeting. 	Next UNDAF cycle
For the RGoB		Time Frame
Ownership	<ul style="list-style-type: none"> - It is important that the GNHC takes the lead in collaboration with NSB, with a clear institutional mechanism for governing BhutanInfo. This will lead to the sustainability of using BhutanInfo. 	Immediate

Table 4: Recommendations on UNDAF/cCPAP Process

For the UNCT and RGoB	Time Frame
<ul style="list-style-type: none"> - <i>Strengthen the Poverty TG to provide, in particular, more effective and stronger RGoB participation in design, management and implementation of the programme.</i> - <i>Further generate commitment from all related UN Agencies, including NRAs, to coordination in planning, implementation and management, regardless of organizational size and resources contributed.</i> 	Immediate

Health

Table 5: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - <i>Identify child health, with a particular focus on children under three years old, as a separate area within public health.</i> - <i>Quality Integrated Maternal Newborn and Child Intervention (IMNCI) should be scaled up nationally.</i> - <i>Scale up Infant and Young Child Feeding (IYCF) and severe acute malnutrition systems and maintain positive gains made in the area of micronutrients.</i> - <i>Pay more attention to the increasingly daunting and more expensive challenges of lifestyle-related non-communicable diseases.</i> - <i>Formulate SMART indicators.</i> 	Immediate and next UNDAF cycle
Partnership and Coordination	<ul style="list-style-type: none"> - <i>Establish a technical advisory group on child health.</i> 	Immediate
Advocacy and Awareness Raising	<ul style="list-style-type: none"> - <i>Use Village Health Workers (VHWs) and mass media to increase outreach.</i> 	Immediate and next UNDAF cycle

Education

Table 6: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Significantly increase attention to Non Formal Education (NFE). - Improve the quality of formal education and expand interventions to basic education focussing on access, gender equity and quality issues to ensure higher transition of girls to secondary and higher secondary education. - Scale-up the current 10 ECCD centres. - Formulate SMART indicators and improve gender and age disaggregated data to strengthen M&E. - Ensure inter-ministerial collaboration on National Adolescent Policy. - Integrate GNH principles and Early Childhood Care and Development (ECCD) into pre-service teachers' curriculum in the Colleges of Education. - Emphasize the importance of Multi-Grade Teaching. - Incorporate WASH in Education Management Information System (EMIS) 	Immediate and Next UNDAF cycle

Good Governance

Table 7: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Increase support to generate disaggregated data and information. <i>Further study the prevalence of child labour.</i> - Formulate SMART indicators. - Encourage local governments to identify their own training needs. - Encourage local governments to identify their own training needs. 	Immediate and Next UNDAF cycle.
Capacity Building and Skill Development	<ul style="list-style-type: none"> - Ensure future trainings become demand-driven and are tailored to the difference in service delivery capacity of local government. - Strengthen financial planning, budgeting, procurement, budget execution, monitoring, internal control framework; deepen fiscal decentralization and increase understanding on the LG Annual Grant. 	Immediate and Next UNDAF cycle.

Advocacy and Awareness Raising	<ul style="list-style-type: none"> - Devise innovative ways, including a systematic civic education programme, to address the continuing limited understanding of democratic principles and values. - Further develop collaboration and partnership with the mass media as very strong change agents. 	Immediate and next UNDAF cycle
For the RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Reform tax assignments allocated to each level to reduce dependence on Annual Grant. 	Immediate

Environment and Disaster Management

Table 9: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Policy, Planning and Programming	<ul style="list-style-type: none"> - Provide attention to climate change mitigation, and adaptation measures. Ensure that the climate change and Disaster Risk Management are adequately integrated into the national policies, plans and programmes. - Prioritise emerging issues in the “brown” sector, including waste management and urban environmental issues. - Assess environmental conventions to which Bhutan is party and identify opportunities to support RGoB in meeting its obligations. - Formulate SMART indicators. 	Immediate and next UNDAF cycle
Capacity Building and Skill Development	<ul style="list-style-type: none"> - Ensure that adequate capacity exists to mainstream environmental concerns into national and local development processes and that cross-sectoral concerns are incorporated into the 11th FYP. - Strengthen institutional, legal, policy and organisational capacities for climate proofing initiatives and climate change adaptation intervention. 	Immediate and next UNDAF cycle
Advocacy and Awareness Raising	<ul style="list-style-type: none"> - Conduct trainings, and create awareness on environment mainstreaming and environmental issues. 	Immediate and next UNDAF cycle
For the RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Ensure that success stories are observed and lessons extracted and utilized in the relevant bodies of RGoB. 	Immediate and next periodic plan of RGoB

Table 10: Recommendations on UNDAF/cCPAP Process

For the UNCT and RGoB		Time Frame
UNDAF/cCPAP Process	<ul style="list-style-type: none"> - Ensure greater clarity on roles and responsibilities in the TG, along with more commitment and participation. 	Immediate

Gender Equality

Table 11: General Recommendations on Policy and Programme

For the UNCT and RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Introduce gender perspective throughout the project cycle. - Support gender-responsive budgeting through facilitating understanding and building skills in this regard. - Employ gender analysis at every stage of the planning cycle. - Analyze available data through gender lens and systematically provide sex-disaggregated data. Design M&E with qualitative indicators alongside sex-disaggregated data. - Formulate a Gender Strategy Plan for the UNCT as part of next UNDAF. 	Immediate and next UNDAF cycle
Partnership and Coordination	<ul style="list-style-type: none"> - Strengthen the network of Gender Focal Points and the RGoB-UN Gender Task Force. - Strengthen ongoing partnership with donor partners by creating a donor forum to share experiences and expertise and to avoid duplication. 	Immediate and next UNDAF cycle
Advocacy and Awareness Raising	<ul style="list-style-type: none"> - Facilitate continued, parallel gender sensitization of UNDAF partners in RGoB, media, other stakeholders and decision makers at all levels and the UN System alike. - Support campaigns for policy and legal reform and facilitate understanding of lawmakers, judiciary and attorneys of gender issues. - Sensitise policy makers for integration of gender into macro-economic policies, including trade policy. 	Immediate and next UNDAF cycle
For the RGoB		Time Frame
Planning and Programming	<ul style="list-style-type: none"> - Strengthen the RGoB Gender Focal Point (GFPs) mechanism by defining clear roles and responsibilities of the GFPs' network as well as the NCWC. - Define clearly the responsibilities of GNHC and NCWC with regard to gender mainstreaming. - Integrate gender issues into macro-economic policies, including trade policy. - Support policy changes to translate from gender-neutral to 	Immediate and next periodic plan of the RGoB.

	<p><i>gender-responsive policies.</i></p> <ul style="list-style-type: none"> - <i>Give further attention to encourage the participation of women as candidates and to enhance their chances of getting elected;⁹</i> - <i>Review current budgetary provisions of key sectors from a gender lens.</i> 	
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Table 12: Recommendations on UNDAF/cCPAP Process

For the UNCT and RGoB	Time Frame
<ul style="list-style-type: none"> - <i>Facilitate more cohesive and substantive engagement of all UN agencies and partners, especially non-resident Agencies such as UNIFEM (Part of UN Women).</i> 	<p>Immediate and next UNDAF cycle</p>

⁹ While female participation as voters was even greater than that of men (54 percent of voters), they formed only 12.6 percent of candidates and 8.4 percent of elected officials. Women’s voter turnout, however, is seen in part as an indicative success of UNDAF support to voter education; in the future, the UNCT will need to capitalize on this positive experience.

Introduction

The main objective of this report is to review the progress made in attaining the outcomes as stipulated in the current United Nations Development Assistance Framework (UNDAF) document for Bhutan and to assess the strategic clarity, relevance, efficiency and cost effectiveness of how the programme elaborated in the document has moved toward achieving its outcomes. The report identifies the strengths and weaknesses in programme design and implementation, as well as the sustainability¹⁰ of the results achieved, which is critical to assess if recommendations made are to be realistic and implementable. In addition, it provides key recommendations to better achieve the desired results within this UNDAF programming cycle and into the next UNDAF cycle 2013-2017.

1.1 The Process

The Mid Term Review (MTR) of the UNDAF and its operational tool common Country Programme Action Plan (cCPAP) does not constitute a mandatory requirement; however the Country Programme Board (CPB) in January 2010, agreed to conduct a light MTR at this midpoint in the UNDAF implementation cycle to: a) assess progress towards expected results of the UNDAF and cCPAP and b) to determine whether the intended outcomes continue to be relevant, taking into account progress toward outputs and indicators and specifically noting how Delivering as One achievements have made United Nations interventions more effective, efficient and sustainable.

Based on the decision of the CPB, the MTR was conducted through an in-depth review of three priority areas and a self-assessment of all five Outcomes, all focused on relevance and effectiveness of the UNDAF and cCPAP. Independent Outcome Evaluations were prepared for Poverty Reduction; Gender Equality; and Decentralization. Likewise, self-assessments of all five Outcomes were conducted by the UNDAF Theme Groups (TGs).

Therefore, this consolidated MTR Report is based on the TGs' self assessment and outcome evaluation reports. Because the UNDAF is a framework for the work of the UNCT together, this review does not aim to evaluate the work of individual Agencies at output or programme level – this would shift the focus too strongly to details, rather than the strategic general guidance that a framework like the UNDAF is intended to provide. The review thus focuses on the level of UNDAF and CT (Country Team) Outcomes.¹¹

1.2 Methodology

The methodology used in this MTR is based on the norms and guidelines developed and used by the United Nations Evaluation Group (UNEG).¹² In essence, it consists of simultaneous use of documentation, perception, particularly by partners, and validation to assess why and how the

¹⁰ See also footnote 1 for definition.

¹¹ Outcome: The intended or achieved short- and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions.

¹² See Norms for Evaluation in the UN System, 2004; UNDAF Evaluation Guidelines, July 2005; Study of the Evaluability of the UN Development Assistance Framework, 2006; and Evaluation in the UN System, April 2007. As a supplementary source, the report also makes use of the following publications: UNDP Handbook on Monitoring and Evaluation for Results, 2003, and Guidelines for Outcome Evaluators, 2006.

Outcomes have been achieved or are likely to be achieved at the end of the cycle. The concrete steps, conducted by TGs and/or consultants, included:

- ⇒ Review of written documentation, including the UNDAF, 10FYP, 3rd Progress Report on the Millennium Development Goals (MDGs) 2008 and the CPB Reports;
- ⇒ Initial briefings with the UNCT and representatives of Government entities, as well as interviews with selected Implementing Partners (IPs) and/or beneficiaries;
- ⇒ Visits to selected project sites for direct observation and interviews with project personnel or end users;
- ⇒ Analysis of both quantitative data and qualitative information;
- ⇒ Preparation of the consolidated report with special emphasis on relevance, clarity and sustainability, as well as overall degree of change affecting midterm progress;
- ⇒ Further presentations/debriefing of major findings and conclusions with IPs, the CPB, and the UNCT;
- ⇒ Finalization of the report based upon feedback received during debriefing sessions with the IPs, the CPB, and the UNCT.

1.3 Situation Analysis Update

Bhutan has achieved global recognition for the careful approach adopted toward development under the guidance of extraordinary leaders and the overarching development concept of Gross National Happiness (GNH). A large number of reports, including official statistics, document the substantial progress that has been made. With its Human Development Index (HDI) rising to 0.619 in 2009, Bhutan moved up to 132nd out of 182 nations in the global human development rankings, among the highest in South Asia.

In addition, according to the 3rd National Progress Report on the Millennium Development Goals (MDGs) 2008, Bhutan has achieved **significant and sustained progress** and is on track to achieve all MDG targets by 2015. It has made particular progress in halving the proportion of people without sustainable access to sanitation and safe drinking water (Target 10) and halving the number of underweight children younger than age five (Target 2). The MDG report also shows that the incidence of diseases such as malaria and tuberculosis has been successfully reduced. The UN is privileged to have offered significant support to Bhutan's positive transformation.

The country continues to make notable progress in furthering democratic governance following the adoption of its first Constitution and the first successful parliamentary elections in 2008, when it became the world's youngest democracy after 100 years of absolute monarchy. It has seen numerous positive developments in policies and strategies addressing corruption, advancing decentralization, strengthening the rule of law, supporting the expansion of an independent media, promoting the growing civil society, empowering women in particular and civil society as a whole, ensuring access to quality social services, and addressing the needs of youth.

Gender mainstreaming¹³ is explicitly seen as a means toward the achievement of gender equality, as stated in the National Plan of Action for Gender (NPAG) 2008-2011¹³ and the 10th Five Year Plan (10th FYP). As a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child (CRC), along with the MDGs, Beijing Platform for Action and South Asian Association for Regional Cooperation (SAARC) Development Goals, Bhutan has made a good beginning toward women's empowerment and gender equality.

¹³ Defined by the UN as a process by which men, women, girls, boys and other genders are equally represented in the planning, implementation, monitoring and evaluation of any development input, to ensure that interventions genuinely respond to different needs and interests of each girl, woman, boy, man or other gender in a given situation.

The principle of non-discrimination on the basis of sex is specifically reflected under State policy in the new Constitution. Women in Bhutan have traditionally held a significant role in household decision making, and can own land and inherit property. A strong presence of women-focused organizations and others has been built, in part through UN assistance.

Among the **challenges** that Bhutan continues to face, human poverty, in its many forms that go beyond the narrow definition of income poverty, remains central. While many social indicators have improved, nearly one in four Bhutanese (23.2 percent) live below the national poverty line.¹⁴ The RGoB is aimed to reduce this proportion to 15 percent by 2013. Poverty is heavily concentrated in rural areas, exacerbating disparities between different parts of the country. More than two-thirds of Bhutanese depend on agriculture for livelihood, and with only 7.8 percent of the land being arable,¹⁵ the challenge of poverty reduction is especially pressing.

Youth unemployment represents a particular concern, having risen rapidly among 15- to 24-year-olds from 9.9 percent in 2007 to 12.9 percent in 2009.¹⁶ Most of the unemployed are young school leavers. In addition, while overall official unemployment is low, a large proportion of the population is self-employed or in the informal sector, where incomes are often much lower than those in the formal sector.

In the health sector, general, maternal and infant mortality statistics have improved significantly, with both maternal¹⁷ and child mortality reduced as well, but still high. The areas of reproductive health, HIV/AIDS, tuberculosis (TB) and maternal and child health are of particular concern to the UN. In education, too, major challenges remain despite commendable progress in enrolment, particularly among girls. These include reaching the eight percent of children still not enrolled in primary school, ensuring quality education, expanding Early Childhood Care and Development (ECCD), and overcoming wide disparities between districts in education achievements.

Meanwhile, Bhutan is broadly recognized for its environmental conservation initiatives, with nearly 51 percent of its area declared as protected areas – one of the highest ratios in the world of protected to total land area. However, the country is highly vulnerable to extreme risks from natural hazards due to global climate change, flood and seismic activity, reflecting an acute need to devote more attention to the emerging issue of climate change adaptation and mitigation; a need also has been identified to address Disaster Risk Management (DRM) in a crosscutting approach under the UNDAF, rather than confined to a narrower environment/DRM focus.

¹⁴ Poverty Analysis Report 2007.

¹⁵ Population and Housing Census 2005.

¹⁶ Labour Force Survey Report 2009.

¹⁷ The Maternal Mortality Ratio (MMR) was estimated at 440 under 2005 WHO/UNICEF/UNFPA/World Bank adjusted figures (State of the World's Children Report 2010), while the reported 15 maternal deaths in 2009 correspond to a much lower MMR of 112 (Report on Maternal and Neonatal Death Investigation Review of 2009, MoH, Paro, April 2010).

Review of the UNDAF Outcomes

Trends, Progress, Relevance, Strategic Clarity and Sustainability

2.1 UNDAF Outcome 1 - Poverty Reduction

By 2012, opportunities for generation of income and employment increased in targeted poor areas (MDG1, 8)

CT Outcome 1:	Access to socioeconomic services, markets and information improved for smallholder and marginal farmers in targeted rural areas
CT Outcome 2:	Food security enhanced among smallholder farmers and other vulnerable groups in targeted rural areas
CT Outcome 3:	Capacity of the Government strengthened to formulate a policy framework for private sector development to respond to economic constraints and vulnerabilities, with a focus on employment generation and pro-poor growth
CT Outcome 4:	Micro Small and Medium Enterprise (MSME) jobs created, with emphasis on women and youth
CT Outcome 5:	Enhanced capacity of public sector to implement results-based policy, planning and programme development, especially to achieve the MDGs and poverty reduction

Key Trends Since 2008

With careful planning, Bhutan has achieved rapid socioeconomic growth within five decades.¹⁸ In 2009 its GDP per capita was US\$4,837 (PPP),¹⁹ and as noted above, the country ranked 132nd in the global HDI (2009). Yet poverty is a reality in contemporary Bhutan, with the latest Poverty Analysis Report, released in December 2007, indicating that about 23.2 percent of the country's population is poor and that poverty is overwhelmingly a rural phenomenon.²⁰

The RGoB has long had a pro-poor orientation and is accelerating its development efforts toward eradicating poverty in all its dimensions, through allocation of public expenditures as well as substantial increases in availability of relevant data. The 10th FYP identifies poverty reduction as its core development theme and objective, with poverty mainstreamed in all development initiatives and complemented by highly focused, targeted poverty interventions to address vulnerabilities and needs of particularly disadvantaged communities and groups. The clear 10th FYP target of reducing national poverty to below 15 percent would more than halve the rate since 2000²¹ and meet the overarching MDG goal two years early.

¹⁸ The rate of real GDP growth peaked in 2007 at 19.7 percent and stood at 5.0 percent in 2008; Statistical Year Book 2009.

¹⁹ Statistical Year Book 2009.

²⁰ A total of 98 percent of the poor live in rural areas. Overall, urban poverty was estimated in 2007 at 1.7 percent, compared to rural poverty at 30.9 percent. Poverty Analysis Report 2007.

²¹ Which stood at 36.3 percent.

At the same time, food poverty²² is sharply up, with 5.9 percent of the population – more than 37,000 people – consuming less than 2,124 calories per day and struggling for food security.²³ Household food insecurity in the country, like poverty itself, tends to be linked to low food production and weak agricultural productivity, along with limited access to arable land, extensive crop destruction by wildlife and pests, a lack of alternative rural employment opportunities, poor food utilization, and weak access to road and transport infrastructure. Despite rising global food prices, Bhutan is beginning to shift away from farm production to food purchases from the market and is highly dependent on imports of food cereals such as rice.

In large part **progress on poverty reduction** has been made possible through rapid economic growth and sustained social investments, including in education and health. At the same time, five districts – Zhemgang, Samtse, Mongar, Chukha and Trashigang – account for half of all the poor in Bhutan,²⁴ with the poverty incidence in these districts together standing at almost double the national average. Ensuring equitable and balanced development remains a difficult task, exacerbated by highly dispersed settlements in very difficult terrain and high development costs amid significant resource constraints and mounting national debt.

Poverty reduction initiatives are focused in rural communities of *dzongkhags* (districts) that have higher rates of poverty incidence. One of the key initiatives being advanced in the 10th FYP is the targeted Rural Economic Advancement Programme (REAP), founded on a premise that poverty reduction efforts can be accelerated further and complemented with specific and improved targeting. The intention of this approach is to reach the unreached and the poorest of the poor, who have not yet been able to benefit from the mainstream development implemented in previous years. A resource allocation method to local governments that offers different weights based on poverty, population and geographic size is expected to direct more resources to the poorest and more vulnerable areas and communities of the country. This also provides an important emerging opportunity to address social equity issues.

Nonetheless, the **challenge** now is to further reduce geographic disparities, raise agricultural production and productivity to help smallholder farmers rise above subsistence level, enhance access to roads and markets, effectively balance livelihood opportunities and environmental conservation priorities, promote off-farm employment to help alleviate underemployment in rural areas, and contain rapidly rising youth unemployment.

In particular, more than half the population is younger than age 24, and an acute challenge Bhutan faces today is unemployment among the youth. Youth unemployment, at 12.9 percent in 2009, is more than triple the official national unemployment rate of 4 percent.²⁵ Unemployment also is nearly twice as high for young women as for young men, at 14.7 percent compared to 8 percent in 2009.²⁶ Overall, rising youth unemployment represents an issue that could decelerate progress in reducing poverty levels. This is compounded by the mismatch between youth skills and demands of the labour market, along with the reluctance of many Bhutanese to take up blue-collar jobs. The accelerating trend of rural-urban migration of the youth is likewise related to low agricultural productivity, given that there are few human resources to work in the fields.

There exists growing concern with regard to child labour in Bhutan, mainly girls working as domestic helpers. Although no hard data exist, concern is growing about girls and young women working in *drayangs* (generally “entertainment” bars, often with a link to unsafe sexual practices), and as a consequence, issues of general health and safety and sexual harassment.

²² Food poverty measures extreme poverty and is set at the consumption level of the minimum caloric requirements, based on calculations of the cost of a food basket that provides sufficient daily caloric requirements, and thus reflecting the actual dietary pattern of the population.

²³ Statistical Year Book 2009.

²⁴ Zhemgang reports 52.9 percent poverty, Samtse 46.8 percent, Mongar 44.4 percent, Trashigang 29.3 percent and Chukha 20.3 percent. Poverty Analysis Report 2007.

²⁵ Labour Force Survey Report 2009.

²⁶ Ibid.

Overall Assessment of Progress Toward UNDAF Outcome 1

Progress toward achievement of the UNDAF Outcome for poverty reduction in targeted areas is on track.²⁷ The UNDAF/cCPAP programme is also found to be relevant, given that poverty reduction is the overarching objective of the 10th FYP. Linkages between GNH and the MDGs are advantageous in the design and planning of poverty interventions. Targeted areas for interventions, were selected on the basis of poverty-incidence rates and with the concurrence of the GNH Commission (GNHC), on the basis of findings of assessments under the REAP.²⁸ Therefore, the interventions were focused on extremely remote and unreached communities.

Key Achievements

CT Outcomes 1 and 2

CT Outcome 1:	Access to socioeconomic services, markets and information improved for smallholder and marginal farmers in targeted rural areas
CT Outcome 2:	Food security enhanced among smallholder farmers and other vulnerable groups in targeted rural areas

More than 700 households comprising smallholder, marginalized farmers in targeted rural areas are benefiting from interventions, which are expected to alleviate poverty by way of enhanced agricultural productivity; improved nutritional intake; creation of employment and income generation opportunities through skills development, improved post-harvest technologies and infrastructure; and increased access to microcredit schemes and markets

Targeted *dzongkhags* are Zhemgang, Mongar and Wangduephodrang. Programmes have been implemented since 2009²⁹ and have used the experience and expertise in rural development programmes of, for example, the Ministry of Agriculture and Forests (MoAF) and the Tarayana Foundation, a non-Government organization (NGO), as key implementers.

Improved crop management, supplemented by supply of high-yield varieties of seeds, has led to increased production of rice, maize and other crops. Some communities now have year-round vegetable production, of at least five types of vegetables, to supplement nutritional intake and expand income earnings through sales of the surplus. New vegetables and fruits have been introduced to support expanded productivity, including asparagus, walnut, ginger and garlic. All this is gradually addressing issues of food insecurity.

Grain silos that have been introduced in few communities are being used and are preventing extensive rodent damage to food grains, as well as allowing grains to be stored longer, thus indirectly providing a boost to farmers' incomes. Improved drying and packaging techniques, in which 11 farmer groups have been trained, are enhancing potential for better produce sales.

The Government's ongoing Agricultural Marketing and Enterprise Promotion Programme 2005-2011, funded by the IFAD, contributes to the achievement of this Outcome through improving access to rural infrastructure such as farm roads, power tiller tracks, suspension bridges and mule

²⁷ See individual CT Outcome rankings by the Poverty TG in Annex 1.

²⁸ Seven poverty reduction programmes are being implemented under the UNDAF/cCPAP. These include (1) Promotion of Culture-Based Creative Industry for Poverty Reduction; (2) Labour Market Analysis and Employment Generation; (3) Targeted Poverty Reduction and Local Governance Initiatives; (4) Formulation of Policy Framework for Private Sector Development; (5) UN Support to Results Based Planning and Monitoring and Evaluation for MDGs and GNH; (6) Enhancing Rural Income Through Sustainable Agriculture Development and Microenterprises in Bhutan; (7) Food Security through Improved Home Gardens.

²⁹ Intended to be implemented from 2008, but actual implementation in most cases began only from 2009 because of national elections and delays in funds release during 2008.

tracks in the targeted areas. Through MoAF, farming households have been trained on organic cultivation and home gardens have been established, further complementing other food security efforts.³⁰

Skills development in basic carpentry and masonry for community members³¹ is being carried out through house construction activities and is supporting cash income generation capacity of farmers. Farmers have begun setting up small or micro-businesses, and enhanced both on-farm and off-farm activities in the communities with microcredit received from the Tarayana Foundation and the Bhutan Development Finance Corporation (BDFC).

GNHC is involved in capacity building of local government to plan, implement and monitor development plans in targeted poor communities. Self-help groups have been formed³² to produce eco food and non-food products (e.g. cane & bamboo handicrafts, banana chips, candles, organic cotton, cake made from maize flour) and to implement an integrated community development. Production of handicrafts using local bamboo, which has been planted under the pilot project, was coupled with measures to protect the natural water sources in targeted localities. In interviews, IPs declared that resources allocated are adequate given IP implementation capacities and absorptive capacities of targeted communities.

CT Outcomes 3, 4 and 5

CT Outcome 3:	Capacity of the Government strengthened to formulate a policy framework for private sector development to respond to economic constraints and vulnerabilities, with a focus on employment generation and pro-poor growth
CT Outcome 4:	Micro Small and Medium Enterprise (MSME) jobs created, with emphasis on women and youth
CT Outcome 5:	Enhanced capacity of public sector to implement results-based policy, planning and programme development, especially to achieve the MDGs and poverty reduction

UN support to development of enabling policy frameworks for private sector development, employment generation and pro-poor growth has resulted in effective Government formulation and implementation of results-based policies, and has positioned key agencies³³ to shoulder their mandates more effectively and professionally. Results include development of the overarching Economic Development Policy, the Consumer Protection Bill, and the National Human Resource Development Plan.

Data systems support specifically has enhanced use of disaggregated data for monitoring MDGs and national development.³⁴ BhutanInfo, an adaptation of the UN's DevInfo technology as a human development monitoring tool, has been launched nationally for data dissemination. To institutionalize it at sub-national level, a *dzongkhag* template has been developed that is being refined and will be rolled out. The effort will be intensified with the training of key officials at national and district levels as trainers, and by customizing the technology for the upcoming Government Mid-Term Review of the 10th FYP, in close collaboration with GNHC.

³⁰ GNHC involved in Taksha, Silli, Tsara, Lawa, Lamgang, Rukha, Migdana and Samthang, in Wangduephodrang; Lamtang, in Zhemgang; and Pam and Chaibi, Mongar. MoAF involved in Mondokha, Pangu, Cholekha, Sektena and Fentena, in Chukha; Sana Duntoe, in Samtse, Samcholing, in Trongsa; Jigmecholing, in Sarpang; Goshi, in Dagana; Talo, in Punakha; Gakiling, in Haa; and Kangpara, in Trashigang.

³¹ In Lawa and Lamgang, Wangduephodrang.

³² In Taksha, Silli and Tsara, Wangduephodrang; in Lamthang, Zhemgang; in Pam and Chaibi, Mongar.

³³ MoLHR, MoEA, GNHC, NSB and Centre for Bhutan Studies (CBS), among others.

³⁴ Engagement and on-the-job attachment with international consultants and experts from World Bank and Asian Development Bank at NSB enhanced staff analytical skills.

Implementation of the ongoing Bhutan Multiple Indicator Survey (BMIS)³⁵ also has further strengthened capacities in sampling and questionnaire designing, through trainings at different stages of the survey. The data on socioeconomic indicators gathered through the BMIS are expected to capture additional impacts of interventions. National and *Dzongkhag* Population Projections, based on the National Housing and Population Census 2005 and the Bhutan Living Standards Survey (BLSS) 2007, already have provided useful insights on disparities and equity issues.

Other results include support to formulation of the National Monitoring and Evaluation (M&E) Manual, National Statistical Action and Capacity Development Plan, 3rd Progress Report on the MDGs 2008, Results-Based Sector and Local Development Planning Manual, Bhutan Development Index, and the Government's computer-based Planning and Monitoring System (PlaMS). In addition, the Bhutan Gender Information Base has been completed.

Institutional capacities of the Ministry of Economic Affairs (MoEA) and the Ministry of Labour and Human Resources (MoLHR) have been enhanced through training of relevant officers dealing with international trade negotiations, Micro Small and Medium Enterprises (MSMEs), labour market analysis and entrepreneurship development. New Labour Market Information Bulletins based on strengthened labour market analysis are providing improved information to job seekers and prospective employers alike through establishment of an online job registration system.

Relevant officials at district level and *Geog* Administrative Officers (GAOs) at local level, supported by the UNCT, are playing an important role in supporting grassroots planning, encouraging people's participation and identifying approaches to address development issues at local level. Local trainings in Results Based Management (RBM)-based planning and strategic development planning have supported the 10th FYP as an RBM-based plan. Impacts are visible in *geog* and *dzongkhag* plans prepared using a participatory approach.

Support to the Ministry of Home and Cultural Affairs (MoHCA), among others, enabled it to explore the creative cultural industry and its potential to reduce poverty through improvements of Bhutanese arts and crafts, thereby enhancing income of artisans. A baseline report delineates on how and to what extent cultural industries may contribute to poverty reduction. Complemented by development of Bhutan's first quality benchmark for handicrafts, all this has contributed to greater product quality, competitiveness and enhanced export potential to the West. Under the Bhutan Seal of Excellence programme, one excellence award already has been given for a handicraft in the textile category. Formation of a weaving guild and establishment of a yarn bank, as well as the holding of crafts festivals and national design competitions, has further broadened opportunities to showcase cultural products. With enhancement of knowledge on yarn among weavers, they have a better-informed choice of yarns for weaving, improving both designs and weave quality; with enhanced business skills and improved products using frame looms, product sales and returns are reportedly higher than in the past.

A total of 21 new MSMEs supported by the UN are operational and employing some 100 individuals, in areas such as incense making, lime manufacturing, automobile workshops, and making of furniture and handicrafts. At the same time, 27 Income Generating Start-up Programmes (IGSPs), including tailoring, scrap collection, paper production, photography, restaurants and Information and Communication Technology (ICT) services, are providing employment opportunities for unemployed youth and women from target *dzongkhags* of Mongar, Zhemgang and Samtse; 13 more are being established. IGSPs provide improved access to microfinance and business development services through business cooperatives and are particularly intended for youth who do not have access to mainstream finance and credit services to start enterprises. This strategy also is expected to address rural-urban migration by establishing enterprises in *dzongkhags*.

An innovative partnership between the UN and a bilateral donor, the Government of India (GoI), has been established with regard to a six-month-long training in hospitality and tourism management undertaken by 70 unemployed youth. The UN supported two months of the training, while the GoI supported four months. The training is based on the needs assessment and occupational skills requirements projections of the MoLHR.

³⁵ Which comprises elements of the Multiple Indicator Cluster Survey (MICS) with Demographic and Household Survey (DHS) add-ons.

Overall Challenges in Poverty Reduction

Translating policies into field-level realities to reduce poverty remains a challenge, given that poverty is a multi-dimensional and complex subject. Interventions are spread across 13 *dzongkhags*, which dilutes effectiveness, as does the spread of resources among numerous IPs.

High staff turnover within IPs also often poses a serious setback for implementation, resulting in lack of institutional memory. Proper handing and taking over do not take place between outgoing and incoming IPs, which affects overall efficiency and effectiveness of programme management.

Capacities among IPs in RBM are not yet sufficient with regard to results reporting and M&E. For example, capacities on use of SPRs and Fund Authorisation Certificate Expenditure (FACE) forms through PlaMS require further strengthening, including through annual refresher courses, to drive planning and implementation based on development results rather than inputs. Capacity of the private sector in the field of statistics, specifically in study methodology concerning sampling, remains weak. This has rendered many of the previous studies undertaken with UN assistance of limited use in evidence-based decision making and policy formulation. Concerns remain about local-level capacities for priority setting and planning. Many local-level governments continue to place infrastructure development higher on the development agenda than poverty reduction and social policies. At the same time, for many communities the main bottleneck continues to be the lack of motorable roads and the long distance from *dzongkhag* headquarters, which makes delivery of development services difficult and costly. Communities linked to roads with power tiller tracks have benefited most.

Equity issues need to be further addressed at *geog* level in the broader context of decentralization. Issues including social protection, social budgeting and transfers, and migration require further in-depth discussions with the RGoB. For example, using the in-depth analysis of the BMIS, and taking advantage of new technical capacity of the NSB on small area estimate techniques, evidence could be generated for equity analysis on health, education and protection, linking to poverty at *geog* level.

Continuing rural-urban migration of youth results in a shortage of farm labour, which is one of the underlying issues of sustainability. Given this shortage, only marginal increases in agricultural productivity in targeted communities may be possible with interventions from the UNDAF-supported programme. MSMEs and IGSPs may create additional employment and income generation avenues for unemployed youth and women in the rural communities. However, the narrow rural employment base and market constraints for their products and services constrain their potential for growth. Hence, sustainability of MSMEs and IGSPs beyond the duration of international support represents a major issue. Sustainability of financial support to help establish MSMEs and IGSPs also represents a key concern. Such support raises expectations among youth that they will be helped in establishing their enterprises without investing their own share of equity.

This lack of equity from young entrepreneurs is likely to weaken their sense of ownership and might lead to failure of such interventions. Experiences and lessons learnt from the previous Micro Capital Grant Scheme (MCGS), when many enterprises failed, have not been used while considering MSMEs and IGSPs.

As noted above, resources committed by various Agencies during planning and formulation stages of programmes have not been flowing in at the right time during implementation. For example, under CT Outcome 4, UNDP and UNIDO are involved in the joint programme for MSMEs and development of the culture industry and agro-based industries, but differences in fund release modalities are delaying implementation.

The UNDAF TG on Poverty has the responsibility to provide strategic guidance in programme planning, design and implementation. However, it has not been adequately effective yet in fulfilling this responsibility. The UNDAF/cCPAP does not mention a need for needs assessment and absorptive capacity studies for targeted communities as the basis for programme design and planning.

Coordination and communication among UN Agencies and IPs with regard to implementation has proven challenging. For example, at the UN working level, only a little coordination between support to road accessibility and other socioeconomic services exists. In another example, the multi-Agency joint programme to promote private sector development and trade for poverty reduction, under CT Outcome 3, involves UNDP, UNESCO, UNCTAD, UNESCAP and UNIDO as well as a large number of Government stakeholders. Because of the complexity of the programme and diversity of activities, coordination is time-consuming and difficult. However, the complementary actions and approaches have added value as per the DaO spirit in that the national stakeholders are now better coordinated than before.

Comparative advantages of UN specialized Agencies have not been fully explored in delivering professional support to programme interventions for full potential programme results. FAO expertise, for example, may prove useful in a programme to improve citrus production.

Also Experiences of the RGoB in the area of poverty reduction have not yet been fully documented to maintain knowledge management at country level. Technical support from the UNCT could further orient key Government agencies at decision-making level on best practices from around the world.

Recommendations

Table 13: General Recommendations on Policy and Programme – Poverty Reduction

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	<i>Consider documenting seasonal calendar of targeted communities while planning projects to be implemented at the local level, involving the community. Activities should be timed to take place either before or after the agricultural cultivation season.</i>	Immediate
2.	<i>Strengthen needs assessment and absorptive capacity of targeted communities before programme design and planning.</i>	Immediate and Next UNDAF cycle
3.	<i>Address equity issues at geog level in the context of decentralization by generating evidence for equity analysis on health, education and protection linking to poverty at this level by using the in-depth analysis of the Bhutan Multiple Indicator Survey (BMIS) and taking advantage of the new technical capacity of the NSB on small area estimate techniques.</i>	Immediate and next UNDAF cycle
4.	<i>Document experiences in Bhutan to maintain knowledge management at country level.</i>	Immediate and next UNDAF cycle
5.	<i>Consider placing a higher priority for M&E activities under this UNDAF Outcome, and clearly indicate the frequencies timing and responsible parties for the field visits to take place in the work plan, with the corresponding need for programme implementation to be regularly monitored.</i>	Next UNDAF cycle
6.	<i>Pay more attention to emerging issue of youth employment, particularly with regard to effective and sustainable skills development and job creation. Base skills development for youth on the National Human Resources Development Policy.</i>	Next UNDAF cycle
7.	<i>In addition, revisit the focus on handicrafts in rural areas to also include skills directly relevant to expansion of the service industry, in line with the new Economic Development Policy.</i>	Next UNDAF cycle

8.	<i>Formulate SMART indicators.</i>	Next UNDAF cycle
Capacity Building and Skill Development		
9.	<i>Build capacities of IPs, local consultancy firms and UN staff alike on study methodology and sampling, in collaboration with NSB.</i> <i>Consider a short training on bookkeeping and financial management as a priority for entrepreneurs of Micro, Small and Medium Enterprises (MSMEs) and Income Generating Start-Up Programmes (IGSPs) to enable them to keep proper track of accounts, which is critical for sustainability.</i>	Immediate
10.	<i>Strengthen capacity building support to IPs for RBM, planning, reporting, M&E and Harmonized Approach to Cash Transfers (HACT), including through regular refresher courses.</i>	Immediate and next UNDAF cycle
Resource Management and Mobilisation		
11.	<i>Focus resources on fewer select regions or communities for delivering comprehensive services, in order to be more cost-effective and efficient and to achieve faster Outcome results, based on proper needs assessment.</i>	Next UNDAF cycle
Partnership and Coordination		
9.	<i>Ensure more coordination in planning at central level among IPs to avoid duplication of efforts or resources.</i>	Immediate
12.	<i>Better coordinate with the government and other donors to avoid overlapping of assistance.</i> <i>Improve UN partnerships with bilateral and multilateral donors to maximize synergy on capacity building and skills development programme.</i> <i>Potential partners include World Bank (WB), Asian Development Bank (ADB), Netherlands Development Organization (SNV), Helvetas, Gol, Danish International Development Agency (DANIDA), Government of Austria, Japan International Cooperation Agency (JICA) and European Union (EU), all of which are supplementing capacity building and skills development through programmes with the RGoB.</i>	Next UNDAF cycle
13.	<i>Strengthen collaboration between UNCT and GNHC to promote and expand demand for data and general statistical literacy, as well as capacity to use data for policy development at national and district levels.</i>	Immediate and Next UNDAF cycle
Advocacy and Awareness Raising		
14.	<i>Orient key Government agencies at decision-making level on social policy issues such as Human Rights, social transfer, migration and social budgeting, as well as on various good practices available from other parts of the world.</i>	Next UNDAF cycle
For the RGoB		Time Frame
1.	<i>It is important that GNHC takes the lead in collaboration with NSB, with a clear institutional mechanism for governing BhutanInfo; this will lead to the sustainability of using BhutanInfo at national and local levels.</i>	Immediate

Table 14: Recommendations on UNDAF/cCPAP Process

S/N	Recommendations on UNDAF/cCPAP Process	Time Frame
1.	<i>Strengthen the Poverty TG to provide, in particular, more effective and stronger RGoB participation in design, management and implementation of the programme.</i>	Immediate
2.	<i>Further commit all related UN Agencies to coordination in planning and support to implementation and management, regardless of organizational size and resources contributed.</i>	Immediate

Table 15: Recommendations for the Result Matrix under UNDAF Outcome 1

By 2012, opportunities for generation of income and employment increased in targeted poor areas (MDG1, 8)	
CT Outcome 1	<i>The CT Output 1.2 needs to be reviewed as this is seen to be more appropriate under CT Outcome 2.</i>
CT Outcome 2	<i>Baseline and target indicators are missing for the output on the number of hectares irrigated through a diversified irrigation system.</i>
CT Outcome 3	<i>Needs to be reviewed to avoid overlaps and to have clear outputs that link to the Outcomes.</i>
CT Outcome 4	<i>Needs to be reviewed to avoid overlaps and to have clear outputs that link to the Outcomes.</i>

2.2 UNDAF Outcome 2 – Health

By 2012, increased access and utilization of quality health services with emphasis on reproductive health, maternal and child health, and nutrition, HIV/AIDS, TB, malaria and other non-communicable diseases (MDG4, 5, 6).	
CT Outcome 1:	Capacity of Government strengthened to formulate and implement results-oriented policies and strategies that create an enabling environment for reproductive health, maternal and child health, Sexually Transmitted Infections (STIs), HIV/AIDS, TB and malaria programmes.
CT Outcome 2:	Capacity of Government strengthened to increase access to and delivery of quality health services for all, including reproductive health, maternal and child health and nutrition, TB, malaria and other non-communicable diseases.
CT Outcome 3:	Capacity of Government strengthened to respond to prevention, care and treatment of HIV/AIDS and STIs through a multi-sectoral approach.
CT Outcome 4:	Government and community partnerships enhanced to promote utilization of health services.

Key Trends Since 2008

Physical and mental health represents an important dimension of human capital that will lead to the well-being of Bhutanese society, ultimately contributing to GNH. In the 10th FYP, the RGoB continues to attach a high priority to maintain universal access to basic health services, focusing on

equity and quality. Particular attention is being given to further improvements in Maternal and Child Health (MCH) as the foundation of family and community well-being.

Primary health care coverage has reached 90 percent of the country's population and provides a continuum of care including reproductive health, immunization, growth monitoring and treatment of common illnesses. Institutional delivery has soared from 47 percent as recently as 2003³⁶ to 67 percent in 2010,³⁷ and vaccination services reach more than 95 percent of children. The proportion of population seeking modern health services has increased from 55 percent in 2000³⁸ to 78 percent in 2007.³⁹ Even so, about 22 percent of those who become ill do not seek Government health care services,⁴⁰ in large part because of lack of transportation. Especially in some rural areas, Bhutanese still often rely on consultation with traditional healers or religious practitioners.

Maternal and child mortality have decreased significantly since 1990,⁴¹ and achieving MDG targets in this regard appears achievable, but will depend on levels of interventions maintained. The highest levels of maternal and child mortality alike are found in the east and centre of the country, areas where poverty also is significant. The causes of infant and child mortality are difficult to determine in the absence of a Vital Registration System; however, anecdotal sources indicate that mortality may be due primarily to poor knowledge, attitudes and practices, including late care-seeking practices.

The increasing trend of HIV infection has been a rising concern, particularly in the context of several risk and vulnerability factors, including proximity to countries with a much higher prevalence of HIV, high degree of mobility across borders, more common unsafe sexual practices, rising levels of substance abuse, low levels of condom usage and the country's youthful demographic profile.

Non-communicable health issues are increasing at a rate the RGoB did not anticipate during the formulation of the 10th FYP. This is compounded by the increasing effects of climate change and natural disasters, which affected implementation of planned activities, as noted in the Challenges below.

Although the RGoB is striving to reach the unreached, this remains a challenge in light of the acute shortage of professionals,⁴² budget shortfalls, and lack of public knowledge regarding the benefits of modern health care. In the 10th FYP, the Government is trying to fulfil coverage based on factors of availability, accessibility, acceptability, contact, and effectiveness. While community participation and inter-sectoral coordination are key elements enshrined in the Alma-Ata Declaration,⁴³ to which Bhutan is a party, much remains to be done. A successful blending of objective priority setting by experts and community felt needs will be critical to successfully involve communities, and innovative approaches to such involvement may need to be defined. Although a Multi-Sectoral Task Force is in place, its effectiveness needs to be evaluated.

Lastly, Bhutan requires further development of policies, strategies and legislation related to maternal, neonatal and child health care and nutrition, including, for example, a national nutrition strategy and a national maternal and neonatal health care action plan. In 2009 the Ministry of Health (MoH) developed and endorsed an Infant and Young Child Feeding (IYCF) Policy and Strategy, as well as an Expanded Programme of Immunization (EPI) Policy and Strategy in 2010; it is planning to turn now to formulating a Reproductive Health Strategy. While respective programmes have policies

³⁶ Bhutan Living Standard Survey (BLSS) Report 2007.

³⁷ Expanded Programme of Immunization (EPI) Survey Report 2010.

³⁸ National Health Survey Report 2000.

³⁹ BLSS 2007.

⁴⁰ Ibid.

⁴¹ See footnote 22 for MMR figures. Infant mortality stood at 54 and under-five mortality at 81 per 1,000 live births in 2008 (State of the World's Children 2010).

⁴² A total of 22 specialist doctors from Myanmar were recruited in 2009 to ease the urgent shortage of national doctors.

⁴³ International Conference on Primary Health Care 1978.

and strategies in place, the need exists for an overall National Health Policy; a comprehensive draft policy has been developed and submitted to the Cabinet for endorsement.

Overall Assessment of Progress Toward UNDAF Outcome 2

Progress toward this UNDAF Outcome generally has been satisfactory,⁴⁴ with the gradual reduction in maternal and child mortality indicating judicious and effective use of resources. A monitoring and supervision checklist is in place at both central and district levels. Even so, more Specific, Measurable, Achievable, Relevant and Time Bound (SMART) indicators are needed to strengthen monitoring for this Outcome.

Key Achievements

CT Outcomes 1 and 2

CT Outcome 1:	Capacity of Government strengthened to formulate and implement results-oriented policies and strategies that create an enabling environment for reproductive health, maternal and child health, Sexually Transmitted Infections (STIs), HIV/AIDS, TB and malaria programmes.
CT Outcome 2:	Capacity of Government strengthened to increase access to and delivery of quality health services for all, including reproductive health, maternal and child health and nutrition, TB, malaria and other non-communicable diseases.

Most interventions are on track to achieve their set targets by 2012, and key indicators demonstrate improvement. For example, births in health institutions have risen sharply, as noted above; this can be attributed largely to the increased availability of Basic and Comprehensive Emergency Obstetric and Neonatal Care centres and improved access to health care facilities, although the referral system requires further strengthening. The Contraceptive Prevalence Rate (CPR) has increased from 30.7% in 2000 to 35% in 2007. Long term human capacity building, especially in specialized areas including gynaecologists, cytotechnicians, and oncologists, have improved the quality of reproductive health services. The cervical cancer screening program for women has enhanced the early detection and treatment of disease, although the coverage needs to be expanded. The Integrated Maternal Newborn and Child Intervention programme (IMNCI) was revived and implemented in all 20 districts. Antenatal care attendance has improved.

Significant improvement in service delivery was seen in 90 percent of the 234 health centres in the country, with at least one health worker equipped with knowledge and skills to provide quality services in essential newborn care, emergency obstetric and neonatal care, breastfeeding, prevention of mother-to-child transmission (PMTCT) of HIV, and voluntary HIV counselling and testing.

High vaccine coverage in Bhutan has been acknowledged by the international community through a Global Alliance for Vaccines and Immunization (GAVI) Award for maintaining vaccine coverage at more than 95 percent in 2009. A strong political commitment to cover all households with improved access to safe drinking water exists, even as some water sources are beginning to dry up because of climate change.

Important progress particularly has been made in the area of nutrition; the National Nutrition Survey 2009⁴⁵ has provided a platform for the RGoB to revisit its nutrition interventions and develop a strategy focusing on the most critical areas. The Nutrition Programme Review – the first since the programme's establishment in 1985 – revealed key gaps in nutrition policies, strategies and management and has provided a crucial platform to better formulate the next five-year plan of operation. The first IYCF Policy has filled a key gap that had resulted earlier in inadequate interventions to address appropriate infant feeding practices.

⁴⁴ See individual CT Outcome rankings by the Health TG in Annex 1.

⁴⁵ Supported by UNICEF, WHO and WFP.

CT Outcome 3

CT Outcome 3: Capacity of Government strengthened to respond to prevention, care and treatment of HIV/AIDS and STIs through a multi-sectoral approach.

The UNCT has supported multi-sectoral programmes under the National STI and HIV/AIDS Control Programme, including prevention of HIV among youth through public awareness, training of Non-Formal Education (NFE) learners, adolescent sexual health interventions, and PMTCT and paediatric care. Integrating health education sessions on HIV with other programmes has enabled health workers to carry out sessions on multiple topics, and high-level advocacy, particularly that of the UNFPA Goodwill Ambassador, Her Majesty the Queen Mother Ashi Sangay Choden Wangchuck, has been effective in reaching out and delivering messages to a wider audience.

While the bulk of HIV responses have been health sector-led (blood safety, PMTCT, STI diagnosis and management, sentinel surveillance, HIV testing and counselling), in view of the decentralization process Multi-Sectoral Task Forces (MSTFs) are taking the lead on activities in the *dzongkhags*, with district hospitals and Basic Health Units providing critical support. Other Ministries, such as Education, and the armed forces also have HIV prevention, care and support projects.

Technical support⁴⁶ to development of a costed National Operational Plan for 2010-2011 has enabled strategies to be translated into action. The National Operational Plan has been endorsed by MoH and been discussed with numerous stakeholders at various levels in three selected districts through a series of consultative meetings. In addition, technical assistance to develop a prototype for data analysis and feedback to grassroots workers has strengthened key analytical and M&E tools.

CT Outcome 4

CT Outcome 4: Government and community partnerships enhanced to promote utilization of health services.

UN interventions have contributed to increasing the number of Village Health Workers (VHWs) and religious personnel undertaking health communication activities in selected communities.

Overall Challenges in Health

Overall health-seeking behaviour, especially among women, remains to be improved. Use of post-natal care services remains low, requiring attention from both service providers and users to promote such care. Service accessibility can be further improved with the increased availability of female health personnel. Rapid urbanization, particularly in Thimphu and border towns in the south, has posed undue pressures on health facilities in urban areas.

Further attention still is needed with regard to: a) increasing the number of hospitals to become Comprehensive Emergency Obstetric and Neonatal Care centres, which may entail a review of whether the 50 percent target remains relevant in light of the comparatively few cases requiring these services; b) increasing the number of certified Baby Friendly Hospitals; c) increasing the proportion of infants that are exclusively breastfed; and d) increasing the number of districts with health/nutrition/water and sanitation emergency preparedness and response plans, which is a new concept.

A need exists to increase the number of districts advocating through VHWs for maternal and newborn care in particular. Coverage of VHW services in communities is not uniform, in part because of a lack of incentives to volunteer as a VHW; in most areas people take turns for a certain number of years. Criteria for becoming a VHW may need to be reviewed, and incentives to attract and retain

⁴⁶ From UNAIDS, Kathmandu.

dedicated candidates should be developed. In addition, performance indicators under CT Outcome 4 need to be redefined to be more results-oriented.

IMNCI remains a newly revised concept and requires reinforcement among health workers and communities alike to ensure effective implementation of many key policies and strategies. Strengthening needed of both human and financial resources to reach out to most-at-risk groups and other vulnerable groups. Despite strong political commitment, a need exists to improve community participation; for example, a need exists to form an IYCF Committee at national level and subsequently at *dzongkhag* level to speed up implementation on IMNCI.

In addition, maternal, newborn and child health survey data are extensively used at programme level, but need to be disseminated at policy, community and service delivery levels so that in a decentralized system efforts can be much more concerted and coordinated. There is a need to strengthen private sector's capacity to conduct health surveys and research by capturing *dzongkhag*-level data. The EPI Policy and Strategy require better documentation. Bhutan's vulnerability to natural disasters and the effects of climate change may have implications for focus and resource allocations for MCH and other health interventions. The response to the September 2009 earthquake in the east hampered regular implementation.⁴⁷ Additional analysis and public awareness of the link between gender and health is important – for example, gender and HIV, or gender and nutrition

Appropriate change management plans need to be in place to support the regular revision and updates on reproductive health standards, policies and guidelines and better adapt to changing clinical and technical needs. Funds required for such revisions have been underestimated, while in some components, such as programme monitoring and management, further attention must be given to improved quality of reporting.⁴⁸

Data analysis capacity at all levels, including on vaccination coverage, remains weak. Data gaps with regard to HIV in particular should be given priority attention, including data on sex workers, Men having Sex with Men (MSM) and injecting drug users, whose numbers are expanding. Moreover, data on other STIs must be generated since these serve as surrogate indicators of the unsafe sexual practices of the population. Low literacy rates, especially among rural women, and high-risk sexual practices, as well as low rates of condom use and women's limited negotiation power to ensure such use, compound HIV risks and vulnerabilities, given that the mode of transmission for nearly 90 percent of reported HIV cases in Bhutan is heterosexual.

High staff turnover has impeded project implementation, as has cumbersome processes of funds release. Many project staff must dedicate their time largely to administrative tasks rather than planning, monitoring and quality control.

⁴⁷ Overall, implementation of activities did not begin until May 2008, following national elections for a new Government.

⁴⁸ Neonatal death investigation has started from 2009, but further sensitization needs to occur at district level to improve the system.

Recommendations

Table 16: General Recommendations on Policy and Programme - Health

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	<p>Identify child health – with a particular focus on children under three years old – as a separate area within public health to update the situation on child mortality, morbidity and development.</p> <p>Quality Integrated Maternal Newborn and Child Intervention (IMNCI) should be scaled up nationally, with a particular focus on increasing knowledge, attitudes and practices of parents on newborn and child care, including being able to identify key danger signs. Use VHWs and mass media to increase outreach.</p>	Immediate and next UNDAF cycle
2.	Strengthen efforts to reach the remaining unreached pregnant women with quality maternal health services, including the adolescent sexual reproductive health services.	Immediate and next UNDAF cycle
3.	Scale up Infant and Young Child Feeding (IYCF) and severe acute malnutrition systems and maintain positive gains made in the area of micronutrients through strengthened monitoring and evaluation.	Immediate and next UNDAF cycle
4.	Devote more attention to the increasingly daunting and more expensive challenges of lifestyle-related non-communicable diseases, including diabetes, hypertension, heart and kidney diseases, cancer and major depression.	Next UNDAF cycle
5.	Examine ways to support the seizing of new opportunities, for example, the rapid growth of mobile phone subscribers, ⁴⁹ which may allow strengthened contacts with patients to provide advice and follow-up on urgent health care needs.	Next UNDAF cycle
6.	Formulate SMART indicators.	Next UNDAF cycle
Partnership and Coordination		
8.	Potentially a technical advisory group should be established on child health	Immediate

Table 17: Recommendations for the Result Matrix under UNDAF Outcome 2

By 2012, increased access and utilization of quality health services with emphasis on reproductive health, maternal and child health, and nutrition, HIV/AIDS, TB, malaria and other non-communicable diseases (MDG4, 5, 6).	
Review all Outcomes/Outputs with attention to child health.	
CT Outcome 4	Adjust performance indicators to match Outcome and ensure results-based orientation. For example, the indicators number of districts advocated on communication activities (conducted by stakeholders) and proportion of VHWs and religious personnel implementing communication activities do not define the stakeholders and the size or scale of communication activities.

⁴⁹ Close to 100 percent in 2008 alone, with mobile penetration nationwide standing at 68 percent in 2009.

2.3 UNDAF Outcome 3 – Education

By 2012, access to quality education for all, with gender equality and special focus on the hard-to-reach population, improved (MDG2, 3)

CT Outcome 1:	Improved quality of education delivered by relevant stakeholders
CT Outcome 2:	National capacity to revise and implement educational curricula enhanced
CT Outcome 3:	School enrolment, particularly for girls, increased through improved facilities, school feeding and targeted advocacy
CT Outcome 4:	National capacity strengthened to address the emerging challenges faced by young people

Key Trends Since 2008

Bhutan has made commendable progress over the years in terms of access to education and is close to achieving MDGs 2 and 3. Establishment of the Education Sector Review Commission and the Royal Education Council, as well as the Parliamentary Committee on Education, provide new structures that will keep the focus on education, in particular on equity and quality issues. The Ministry of Education (MoE) is in the advanced stages of drafting a school education policy that will cover Classes PP to XII. In recent years the Government has strongly emphasized the concept of “education for GNH.”

In basic education, the net primary enrolment ratio⁵⁰ (NER) increased from 84 percent in 2007 to 92 percent in 2009, while enrolment at lower and middle secondary levels⁵¹ also has increased; net enrolment for the entire basic cycle (classes PP-X) reached 85 percent in 2008. Gender parity largely exists at primary level, and the gap is closing in secondary schools. Overall adult literacy stands at 53 percent, but with wide gender disparities: 60 percent of women and 80 percent of men in urban areas, and only 29 percent women and 57 percent of men in rural areas.⁵² Meanwhile, MoE data indicate that the transition rate from primary to secondary school in 2010 stands at 95.3 percent for girls and 93.3 percent for boys, compared to 86.6 percent for girls and 85.1 percent for boys in 2009.

However, while the country is poised as a whole to achieve the relevant MDG targets even before 2015, accomplishments analyzed by district reveal wide disparities. Measures are still needed to ensure that all Bhutanese children have access to free basic education, as enshrined in the Constitution. The Joint Education Sector Review 2009 shows that 69.2 percent of poor children are enrolled in primary school and 2.7 percent in secondary school. *Dzongkhags* with a higher incidence of poor households have a higher incidence of dropouts and repetition. Direct and indirect costs of primary education⁵³ place the poorest children at a disadvantage. A recent study of five eastern and southern districts⁵⁴ showed education achievements below the national average, with net enrolment figures for the poor in these districts standing much lower than for the non-poor. Poorer districts are also generally characterized by longer distances to school, larger class sizes and more students per teacher compared to the national average.

⁵⁰ Classes PP-VI.

⁵¹ Classes VII to VIII and IX to X respectively.

⁵² National Commission for Women and Children, 2009.

⁵³ Estimated at Nu. 4,000 annually (National Commission for Women and Children 2009).

⁵⁴ The Joint Evaluation: Danish-Bhutanese Country Programme 2000-2009, Education Sector Paper, compared 2007 poverty data from the National Statistical Bureau with 2009 education data from the Ministry of Education for the districts of Samtse, Chukha, Mongar, Trashigang and Zhemgang.

Up to 8 percent of primary school-age children remain un-enrolled in school, including children with special learning needs, working children and late enrollers, among others. This gap is compounded by the acute shortage of qualified and experienced teachers, especially in small, multi-grade and remote rural schools, which affects education quality. Few learning opportunities exist for young children, with only 2 percent of children aged three to five years attending ECCD centres in 2009. Moreover, while the overwhelming majority of schools have access to a piped water supply and improved sanitation facilities, functionality of school water and sanitation facilities is far lower.⁵⁵

Additional factors that contribute to the un-enrolled overall include a higher rate of early marriages among girls aged 15-19 in poor districts, along with a lower rate of literacy compared to other districts. Little is known about gender stereotypes potentially reducing girls' opportunities to pursue higher education on equal terms with boys, combined with factors such as long distances to schools. Similarly, little is known about the magnitude and severity of domestic violence, abuse and neglect of children.

As also noted under UNDAF Outcome 1, unemployment in Bhutan affects youth disproportionately. Youth unemployment has risen sharply, to 12.9 percent in 2009, with an increase of three percentage points over the last two years alone. A serious challenge arises from the mismatch between skills obtained and needed in the labour market, which has accelerated efforts toward skills development through vocational education.

Overall Assessment of Progress Toward UNDAF Outcome 3

UNDAF Outcome 3, where progress has been satisfactory, not only supports the 10th FYP and MDGs 2 and 3 but also complements a recently signed Performance Compact between the MoE and the Prime Minister to assist the Government to carry out its obligations as a signatory to CRC and CEDAW. With nearly 100 percent gender parity at primary level and 92 percent primary NER, the education sector is on track to achieve the UNDAF Outcome, even as girls' enrolment falls significantly at the higher level of education.⁵⁶ Further attention will be required to building the capacity of stakeholders to deliver non-formal education.

Key Achievements

CT Outcome 1

CT Outcome 1: Improved quality of education delivered by relevant stakeholders

More than 16,000 people aged 15-49 completed the Non-Formal Education (NFE) Basic Literacy Course in 2008-2009, of whom 70 percent were women. A 2008 Impact Evaluation resulted in revision of the NFE curriculum to a learner-centred teaching method that is expected to positively affect the quality of learning outcomes.

The introduction of early learning opportunities in urban, semi-urban and rural areas has increased the possibility of more children enrolling in schools at the right age as well as completing with quality learning outcomes. BMIS results on disability will enable the country to make strategic interventions for children in need of special education, many of whom are assumed to not be attending school. The Policy on Special Education, once finalized and adopted, will outline clear strategies for the coming years.

⁵⁵ Baseline Assessment of Water and Sanitation Facilities 2009.

⁵⁶ R. Samdrup, "Glass Ceiling in the Education Curve for Girls? Assessing Girls' Participation in Education at Higher Secondary Level in Bhutan," Policy and Planning Division, MoE, July 2009 (pending publication).

CT Outcome 2

CT Outcome 2: National capacity to revise and implement educational curricula enhanced

Implementation of a Child Friendly School (CFS) concept in primary schools, with UNCT support, has significantly changed teachers' approach to students and vice versa, and has made schools more inclusive; children are learning how to think critically and creatively, as well as becoming sensitive to other elements of CFS such as gender equity. Using the CFS approach under the umbrella of educating for GNH will further enable schools to focus on quality of education and tackle aspects of environmental degradation and climate change. New monitoring tools integrating GNH components have been disseminated for monitoring.

UNCT support to emerging education issues, including life skills and adolescent reproductive sexual health, has made life skills education as an integral part of GNH values. Training of over 2,500 teachers on life-skills education has enhanced capacity in schools to provide life-skills education. The School Guidance Curriculum for School Counsellors has ensured provision of supportive, preventive and participative environment for young people. Website for young people has helped reaching out to young people and providing online counselling services. Curriculum reform is under way, although a shortage of staff in the MoE has impeded implementation of some components. A newly designed, UNCT-supported Population and Development degree course at Sherubtse College will enhance capacity of new graduates to fill current human resources gaps in relevant development areas. The double degree programme in Population and Development at Sherubtse College caters to the first batch of 24 students. Continuous capacity development of the faculty through long term Masters Programme in Population and Development studies has improved the academic capacity of this department. The first international conference on Population and Development at Sherubtse College gathered experts from 13 countries. This conference provided an in-depth insight for the college students and faculty on issues of population related development activities and widened their scope of research in the field.

CT Outcome 3

CT Outcome 3: School enrolment, particularly for girls, increased through improved facilities, school feeding and targeted advocacy

Girls' enrolment has risen steadily in recent years; the ratio of girls to boys in primary school has increased from 82 percent in 2000 to 99.5 percent in 2007.⁵⁷ UN-supported school feeding has reached 61 percent of targeted children thus far, with provision of food and improved infrastructure, including water and sanitation facilities, noted as helping to boost enrolment rates, especially for girls.

In an effort to reach children not attending school, the RGoB in 2008 took the initiative to bring schools closer to children in remote areas by setting up extended classrooms (ECRs) and recruiting retired teachers and fresh graduates to staff them. UN support to training of 350 teachers has contributed to addressing Bhutan's acute teacher shortage, particularly in these remote areas. Furthermore, support provided to ECRs in very remote areas through access to multi-grade teaching (MGT) materials. Like UNCT-supported school feeding programmes, improved water and sanitation facilities and establishment of ECRs has greatly contributed to the increase in primary enrolment, especially of girls.

Fostering strategic partnerships between Ministries and NGOs such as the Youth Development Fund and the Bhutan Narcotics Control Agency has proven beneficial, reducing duplication, optimizing use of resources and increasing opportunities for sustainability. Joint proposals between these organizations increase national ownership and commitment and decreases reliance on donor funds. Youth involvement at all stages of programme design and delivery has resulted in more youth-friendly processes that better meet young people's expectations. Personal involvement of His

⁵⁷ MoE, Annual Education Statistics 2009.

Majesty the Fifth King for youth development has significantly boosted attention to opportunities for youth.

CT Outcome 4

CT Outcome 4: National capacity strengthened to address the emerging challenges faced by young people

As a result of UNCT interventions, young people have increased opportunities to participate in society and contribute meaningfully to youth policies and programmes. Young people are progressively becoming members of formal rather than informal decision-making groups; for example, a Youth Advisory Group was established during formulation of the first National Youth Policy 2009. This participatory and collaborative approach has been documented as a good practice for sharing with other countries in the region. More than 700 young volunteers (about half male, half female) engaged as Young Volunteers in Action to provide increased opportunities for leadership, social and communication connections for young people. An 'Adolescents at Risk' study has been successfully used in legislation and policy strategy work as well.

In addition, expanded social services for adolescents and youths are shoring up both preventive and responsive services, particularly for youth with substance abuse issues, in part through the establishment of a network of peer counsellors among those recovering from drug and alcohol addiction.

The introduction of English equivalent to primary level in formal education in the non-formal Post-Literacy Course is expected to encourage more Basic Literacy Course graduates to progress toward completing the post-literacy requirements, which also will allow more youths to acquire life skills.

Overall Challenges in Education

Concerted efforts by Government and its partners alike are needed to reach the remaining unreached population, identifying appropriate strategies to enrol the last 8 percent of primary school-age children. Significantly, quality of education at all levels also remains to be strengthened, which could be supported through introduction of a system of competency-based assessment of children's learning.

More attention is needed for NFE to improve adult female literacy, especially in rural areas, from 29 to 70 percent; and to enrol more 15- to 19-year-olds in non-formal education in low-literacy districts. More NFE centres must be set up annually and new strategies are needed to attract more learners for basic literacy. NFE can serve as an important opportunity for social change, potentially enabling women, for example, to participate more substantively in public life. NFE also can contribute more toward addressing youth unemployment by adding a component of vocational skills in addition to literacy.

A shortage of qualified and experienced teachers continues to affect the education sector, particularly in small, multi-grade and remote rural schools. Additional efforts also will be needed to ensure a successful integration of GNH principles into the pre-service teachers' curriculum in the Colleges of Education in Paro and Samtse.

With many bilateral and multilateral donors planning to withdraw from Bhutan in the coming years as the country achieves middle-income status, financial constraints will grow in importance for education areas such as ECCD, adult literacy and special needs education, where current RGoB allocations remain low. Therefore, resources need to be mobilized with regard to ECCD in pre-service teacher training modules. Other cost-intensive activities include implementation of a school water and sanitation project, including operation and maintenance of water and sanitation facilities. Limited funding opportunities are available for the religion and health project as well.

Beyond gender parity, the need for gender equality in educational outcomes will increasingly be key; with emerging challenges in Bhutan on youth unemployment and rural-urban migration, for example, the formal education system and vocational training centres alike will need to take note of the changing socioeconomic scenario in order to be more responsive to boys and girls in this regard, and to prepare them for possible productive engagement after completing school if they are unable to pursue further education.

High staff turnover in the education sector, as well as inadequate implementation capacity of programme managers, has affected smooth, timely and effective implementation of planned activities. Many of the most senior and qualified teachers are leaving the profession for other, more lucrative opportunities. Deployment of female teachers in remote areas remains highly challenging.

A need for strengthened monitoring and supervision within the MoE and the UN alike has manifested, while a lack of baseline data and different data from different sources make it difficult to measure impact. Often gender- and age-disaggregated data remain missing, although the quality of data produced has improved nonetheless. Further attention is required to strengthen the capacity of the MoE to revise educational curricula in line with emerging needs, particularly multi-grade teaching. A total of 58 percent of remote Community Primary Schools and primary schools have a multi-grade situation, although they are still not supported with corresponding services. With the opening of ECRs, the importance of MGT has further increased. A review of curriculum contents and educational materials could strengthen gender mainstreaming in the sector.

Recommendations

Table 18: General Recommendations on Policy and Programme - Education

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	<i>Significantly increase attention to Non Formal Education (NFE), encouraging expanded enrolment, and making it more relevant to emerging youth unemployment issues; accelerate the establishment of NFE centres.</i>	Immediate and next UNDAF cycle
2.	<i>Intensify effort to improve the quality of formal education and ensure its relevance to the need for girls and boys to engage in productive employment after finishing their schooling.</i>	Immediate and next UNDAF cycle
3.	<i>As access to primary education is on track, programme should expand its interventions to basic education focussing on access, gender equity and quality issues to ensure higher transition of girls to secondary and higher secondary education.</i>	Immediate and next UNDAF cycle
4.	<i>Scale-up the current 10 ECCD centres, especially in poor rural communities, using Communication for Development.</i>	Immediate and next UNDAF cycle
5.	<i>Ensure inter-Ministerial collaboration on National Adolescent Policy to provide a comprehensive response to youth needs and rights.</i>	Immediate
6.	<i>Improve gender- and age-disaggregated data to strengthen M&E.</i>	Next UNDAF cycle
7.	<i>Formulate SMART indicators.</i>	Next UNDAF cycle
8.	<i>Integrate GNH principles and Early Childhood Care and Development (ECCD) into pre-service teachers' curriculum in the Colleges of Education.</i>	Immediate and next UNDAF cycle
9.	<i>Place more emphasis on Multi-Grade Teaching.</i>	Immediate and next UNDAF cycle
10.	<i>Incorporate WASH in Education Management Information System (EMIS)</i>	Immediate and next UNDAF cycle

2.4 UNDAF Outcome 4 – Good Governance

By 2012, institutional capacity and people’s participation strengthened to ensure good governance (MDG1, 3, 8)

CT Outcome 1:	Transparency, efficiency, effectiveness, participation and accountability strengthened at all levels
CT Outcome 2:	Strengthened national capacity and systems to formulate, review and implement national legislation in line with ratified international conventions
CT Outcome 3:	Capacity of key institutions to support parliamentary democracy strengthened
CT Outcome 4:	Local governance systems and capacity strengthened, with increased participation of women

Key Trends Since 2008

As noted in Chapter I, after a century of absolute monarchy, Bhutan became the world’s youngest democracy in 2008 following the first parliamentary elections,⁵⁸ which were broadly endorsed as free and fair by international observers. The UN was one of the principal international partners of the Government in conducting these elections.

Bhutan has had a long history of local government reform measures, which first gained prominence in 1981; the overarching principles underlying the current architecture of decentralization can be considered to have taken root from 2002, with the establishment of local elections, and have increased substantially during the 10th FYP and UNDAF/cCPAP cycle. Although it is not possible to directly link decentralization and impacts on service delivery, indirect links arising from impacts on local governance are visible, based on the latest UNDAF Outcome evaluation.

In its efforts toward decentralized governance, the Government has enacted the Local Government Act 2009,⁵⁹ which outlines clear roles and responsibilities of local governments, and has introduced annual grants as per the Constitution. The transfer of responsibility for planning and management of resources from the central Government to local governments has improved service delivery. Formulation in 2010 of draft rules and regulations for *geog tshogdues* and *dzongkhag tshogdues* (block and district councils) to accompany the Act also will assist the implementation process. Local Governments now have the power to generate their own resources by the power of taxation, levying fees and charges.

An RBM approach was used to prepare the 10th FYP by local governments, and is expected to be used more comprehensively for formulation of the 11th FYP at central as well as *dzongkhag* levels. On the institutional front, the Department of Local Governance (DLG), under the MoHCA, has been established to coordinate and facilitate local governments, significantly strengthening the policy environment for decentralization.

Reflecting the new Constitution’s declaration that “every person shall have the duty to uphold justice and act against corruption,” the Anti-Corruption Commission has increasingly accelerated its efforts. According to the first National Integrity Assessment 2009, which analyzed 43 services from 27 public organizations, the national integrity score was 7.44 on a scale of 0 (highly corrupt) to 10 (highly

⁵⁸ The elections had a 79 percent voter turnout, with more women (54 percent) than men (42 percent) casting ballots.

⁵⁹ This supersedes the Local Governments Act 2007, formulated before Bhutan became a parliamentary democracy.

transparent), indicating a good level of integrity. However, “potential integrity”⁶⁰ scored lower, at 6.61, highlighting systemic vulnerabilities to corruption.

Gender-sensitive policies also represent an important part of Government efforts. The National Plan of Action for Gender 2008-2013 (NPAG), adopted with UNCT support, is a positive development in addressing gender equality and mainstreaming it across sectors and programmes. A Child Care and Protection Bill and Child Adoption Bill, drafted and submitted for enactment by Parliament, will give a legal basis for the institutions mandated to protect the child rights and will further enhance the protection system of minors. Likewise, the Domestic Violence Bill was drafted and will be submitted to the parliament soon. Bhutan’s ratification in 2009 of the Optional Protocol to the CRC, on the sale of children, also provides a platform for the RGoB to improve cooperation with international partners in addressing the root causes of abuse and exploitation of children.

Representation of women in governance could usher in major changes in Bhutan in the future, although this needs further facilitation. At the national level, a modest beginning has been made: In the National Council, women account for 24 percent of members, and 8.5 percent in the National Assembly. At the same time, women are generally underrepresented in *geog tshogdues* and *dzongkhag tshogdues*. No women serve as Cabinet Ministers. At local level, women comprise 1 percent of *gups*⁶¹ and 2.5 percent of *mangmis*.⁶² The fact that women’s representation in most elected bodies is minimal conveys a strong message about the need for promotional measures to encourage gender balance and equality.

The Bhutanese media, meanwhile, have now become critical players in an emerging democracy. The number of media organizations in the market has dramatically increased since 2008 – and likely will increase further – with seven newspapers, five radio stations and one television outlet now giving citizens far more choices and creating important opportunities for further UN collaboration and partnership.

To address the challenges of enhancing people’s participation and democratic institution building, UN support extends to the executive, legislative and judicial branches of government, with a particular focus on developing the capacity of local governments, capacity building of the two houses of Parliament, strengthening of constitutional authorities in oversight and accountability, applying e-governance tools, and developing the media sector.

Overall Assessment of Progress Toward UNDAF Outcome 4

Overall, progress toward achievement of UNDAF Outcome 4 is satisfactory and on track.⁶³ Governance institutions supported by the UN, as noted above, cover all three branches of Government and other key constitutional bodies such as the Election Commission of Bhutan, Anti-Corruption Commission and Royal Audit Authority. Capacity to improve public resource delivery was supported at both the human resource and, critically, the institutional levels, thereby fostering better sustainability than in the pre-constitutional era.

⁶⁰ “Potential integrity” comprised “working environment, “administrative system” “personal attitude” and “corruption control measures.”

⁶¹ UNDP Bhutan, Annual Report 2008-2009.

⁶² GNH Commission, Governance Monitoring and Evaluation Framework 2010.

⁶³ See individual CT Outcome rankings by the Governance TG in Annex 1.

Key Achievements

CT Outcome 1

CT Outcome 1:	Transparency, efficiency, effectiveness, participation and accountability strengthened at all levels
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Enhancing capacity of key institutions has led to trained staff and development and streamlining of uniform guidelines and policies into organizational systems, which has laid the foundation for increased future transparency and accountability for effective lawmaking. For example, the Annual Grants System (AGS) implemented in all local governments has increased transparency and predictability in inter-governmental transfers (see also CT Outcome 4). Decisions taken and their enforcement are now being done in a manner that follows consistent rules and regulations.

Support to the National Anti-Corruption Strategy has been particularly essential, including exposure to international best practices.

A national e-platform, set up with UNCT assistance, is enabling the Government to begin delivering online public services through the umbrella G2C (Government to Citizen) programme. This will further expand the facility of e-governance and efficiency of service delivery to rural communities. Successful piloting of six Community Information Centres (CICs) to facilitate community outreach to about 17,500 people has encouraged the Government to establish 205 such CICs/One Stop Shops, in all *geogs*, by 2011.

Open debate and inclusion of youth and gender issues has been increased with the strengthening of a critical and well-trained media. The Bhutan Media Assessment Framework also is being formulated to provide important guidance for both the Government and the media sector to develop and enhance democratic rule. Involvement of relevant international counterpart institutions and networks ensures that a diversity of interests is represented and that the best national, regional and international expertise and practices available are factored in, enhancing potential impact.

CT Outcome 2

CT Outcome 2:	Strengthened national capacity and systems to formulate, review and implement national legislation in line with ratified international conventions
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Effective interventions under this CT Outcome have led to the setting up of institutional mechanisms to safeguard women's and children's rights and contributed to a shift in the mindset of policymakers toward gender issues. The UNCT has supported the Government in capacity development of the National Commission for Women and Children, the NGO RENEW and others so that Bhutan is better able to meet its reporting obligations under the CRC, CEDAW and human rights conventions.

During the UNDAF period, Bhutan has thus far submitted its 2nd Periodic Report on CRC (2008), 7th Periodic Report on CEDAW (2009) and 1st report to the Universal Period Review (UPR) Expert Committee (2009). Building on insights and experience gained through successful reporting, recommendations from these review committees are being implemented. Advocacy campaigns by the UNFPA Goodwill Ambassador, Her Majesty the Queen Mother Ashi Sangay Choden Wangchuck, have further enhanced knowledge on women's rights, covering the CEDAW and CRC mandates.

Establishment of community-based support systems in several *dzongkhags* and sensitization of the general public, decision makers and parliamentarians on violence against children and women, CRC and CEDAW have substantively increased the access of women to protection services and greater protection of women against domestic violence and exploitation. Training of police personnel and the members of *Dzongkhag and Geog Yargay Tshokchungs* (District and Geog Development Committees) have increased the understanding of issues around domestic violence and gender-

based violence. Opportunities exist to expand support to address sexual harassment at workplaces, during religious festivals and at entertainment centres (*drayangs*).

Corresponding to the recommendations of the Committee on the CRC, the UNCT supported the 2009 Child Labour Study, carried out by the National Commission for Women and Children (NCWC). The study is assisting to develop a comprehensive strategy to reduce child labour, within the larger aim to build a national child protection system. The overall child protection system approach is leading to national ownership and spurring a change in mindset and behaviour.

Two additional Protocols to the CRC were ratified in 2009, including involvement of children in armed conflict and on the sale of children, child prostitution and child pornography. Recommendations of international committees (CRC, CEDAW, UPR) received in 2008, 2009 and 2010 provide additional directions and key tasks for the RGoB. An important instrument for gender mainstreaming, in the form of the NPAG 2008-2013, is being implemented through a series of sensitization workshops and consultations carried out with gender focal points of various agencies and Ministries.

Capacity development on women- and child-friendly judicial procedures has focused on lawmakers and implementers, including the Royal Bhutan Police and the Royal Court of Justice, as well as on NGOs. This has enabled more national legislation to be in line with international ratified treaties, including under the draft Child Care and Protection Bill, Child Adoption Bill and Domestic Violence Bill. Woman and Child Protection Units (WCPUs) have been established in police stations in Thimphu and Phuentsholing, with special complaints and response mechanisms and wide community outreach.

CT Outcome 3

CT Outcome 3:

Capacity of key institutions to support parliamentary democracy strengthened

Through Joint AWP, key parliamentary democracy institutions such as the Parliament, Election Commission of Bhutan and Royal Court of Justice received UNCT support, with the major result being the conducting of the highly successful national elections in 2008. The UN was the only member of the international community approved by the Government to support the Election Commission; as a consequence of nationwide voter/civic education by the Commission, the 79 percent voter turnout was considered exemplary for the first democratic election in the country.

In the legislative branch, both houses of Parliament, including their Secretariats, received international technical assistance to streamline procedural rules, enhance the capacities of Members of Parliament (MPs) through exchange visits within and outside the region, and increase the capacity of Secretariat staff to support MPs in research and analysis, a new area of service for them. Following democratic elections in 2008, National Assembly Committees for human rights, women and children, and youth and sports were established. The National Council established a social and cultural affairs committee.

The Institute of Language and Cultural Studies has been supported to translate the Universal Declaration of Human Rights for the first time in the country and to produce advocacy and education materials for the general public and academia, thereby significantly increasing awareness of this important human rights instrument.

Overall, Government agencies receiving UN support included the executive branch, the Cabinet Secretariat, GNHC, Office of the Attorney General, MoHCA and Ministry of Information and Communications (MOIC) to build both institutional and human resource capacities to improve public service delivery.

In the judiciary sector, support was provided to help establish the National Legal Institute.

CT Outcome 4

CT Outcome 4:	Local governance systems and capacity strengthened, with increased participation of women
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The flagship Local Governance Support Programme (LGSP), implemented jointly with support of the UNCT and other partners, aims to develop the capacities of local governments and provide them with annual grants. The focus on decentralization has provided increased opportunities for dialogue at the grassroots level and representation and participation of a broader range of social groups. Since all local government plans were formulated using RBM, with a focus on poverty reduction, this is consistent with the RGoB's MDG commitments. At *dzongkhag* level, targeted participants have been sector heads and GAOs, among others. Use of RBM in planning also is in line with CT Outcome 4.1.

The AGS, institutionalized through adoption of annual grants from 2009-2010, represents a major achievement in fiscal decentralization under the programme. The AGS is formula-based, large and predictable and uses an objective and needs-based transparent resource allocation modality. It reflects the needs and priorities of the local governments and combines own local revenues with transfers from the central Government. Other fiscal decentralization achievements include piloting and finalizing of a "community contract" protocol to streamline procedures related to community contracting for activities; simple, useful cost templates have been prepared for small infrastructure development (also in line with CT Outcome 3).

Capacities of local governments has been broadened with placement of GAOs and *geog* accountants in the *dzongkhags* and *geogs*; place of Human Resource Officers in *dzongkhags* also has strengthened human resource.

Work on gender mainstreaming also has gained momentum, with development of the Local Development Planning Manual to integrate all crosscutting issues and themes. This also will contribute to mainstreaming efforts of the NPAG, although further efforts are necessary to sensitize local governments on links between gender equality and poverty reduction.

Although full impact is not yet measurable, it is expected that UN initiatives will positively affect local elections through increased local awareness of development challenges; making dialogue on local resource allocations more relevant, and significantly influencing the standards of debate during election campaigns; and enabling successful candidates to meaningfully contribute to local development, further entrenching local democracy.

Overall Challenges in Good Governance

There is a need to initiate corruption control measures in all agencies, including grievance redressal mechanism.

PlaMs, the main component of the national M&E system, is unable to track the use of formula-based discretionary capital grants, which does not allow monitoring of the efficiency of the local government funding modality. PlaMs is not yet fully operational and is not widely used in *dzongkhags*. PlaMS also is not yet able to generate consolidated reports of both physical and financial progress and it is not yet linked to other components of the M&E system. Therefore, there is a need to segregate the progress and use of funds related with the formula-based capital grants from other activities to be able to track use of funds; improve indicators on crosscutting issues such as gender equality and environment; and ensure that indicators are divided in clear periodical progress targets, distinguished from end targets.

Autonomy of local governments for hiring, firing, promotions and disciplining of staff is still low, with these functions remaining largely the responsibility of the respective Ministries and the Royal Civil Service Commission. There is a lack of an updated overall decentralization policy and sub-policies in such areas as fiscal decentralization has affected coordination and support between various stakeholders such as DLG, GNHC and the Ministry of Finance. Further deepening of fiscal

decentralization will be needed to refine the system, improve indicators on crosscutting issues such as gender equality and environment, and increase the understanding of effective usage of 20 percent of funds for emerging, unplanned priorities.

Further platforms beyond formal *geog* council meetings are needed where accountability of local governments to the people can be established, with stronger interactions, for example, between *tshogpas* and communities in the planning process. Active involvement of people at *geog* level in affirming e-governance will be essential in ensuring quality outcome and sustainability of efforts made, to create more accountability of the Government to the people.

National regulatory policies and frameworks remain to be put in place to lay the foundation in which the media must grow. Access to various forms of media and information is still highly urban-centric, and this divide will need to be overcome to have equal participation from all citizens, as well as equal access to information. Despite the recently approved Civil Society Organization (CSO) Act, there are few registered CSOs, and their role is still very limited, constraining their ability to complement the Government in service delivery.

Providing a comprehensive, evidence-based picture of the protection issues facing children is a challenge. This is due to a lack of current, accurate and reliable data regarding the magnitude and severity of child protection issues in several areas. Regular administrative reporting mechanisms are still in their infancy and require strengthening; the data gap is currently being filled by costly surveys. In addition, new challenges and risks for children, youth and families have been brought about by modernization and urbanization; these emerging challenges will require further studies and research.

A young organization such as the Election Commission requires continued support to execute its mandate on voter and civic education without the full involvement of stakeholders. The Commission has no trained legal staff yet to adjudicate and investigate on electoral complaints and disputes. A need also exists to create a common understanding between the Election Commission and the UNCT on the importance of gender-inclusive democratic governance through voter education.

Most programmes and projects remain largely “gender-neutral;” for example, under CT Outcome 1, while gender is mentioned in project documents and the AWP, no related activities or indicators are included. Sex-disaggregated data also are absent in many of the projects in terms of beneficiaries or participants. Gender issues remain to be effectively mainstreamed; non-resident UN Agencies like UNIFEM have not been fully involved in preparation strategies and support to implementation. For example, a project with CBS, which supported integration of GNH indicators into the national planning and monitoring mechanism, specifically appears “gender-neutral.” Government and UN staff capacities also need to be strengthened in gender mainstreaming, strategies and tools. Inadequate disaggregated data and information, by sector, sex and geographic area, represents a key constraint

A need still exists to highlight the continuum between international obligations and national initiatives, especially addressing the persistent belief among some policymakers and other officials that international conventions are “external” to Bhutan.

Recommendations

Table 18: General Recommendations on Policy and Programme – Good Governance

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	<i>Support the increased need for disaggregated data and information to advance the Government's commitment to the agenda of gender mainstreaming, among others, given the current lack of national expertise and resources.</i>	Next UNDAF cycle
2.	<i>Further study the prevalence of child labour and estimate the number of children actually working as child labourers; follow up research on the worst forms of child labour and child poverty.</i>	Immediate and next UNDAF cycle
3.	<i>Develop a clear strategy for capacity development of local governments and encourage local governments to identify their own training needs, based on their own assessments, and then to seek ways of satisfying this demand.</i>	Immediate
4.	<i>Deepen fiscal decentralization by further refining the system and increasing understanding of the real purpose of the 20 percent LG Annual Grant intended to be used in supporting unplanned priorities.</i>	Immediate
5.	<i>Support implementation of Child Care and Protection Act.</i>	Immediate and next UNDAF cycle
6.	<i>Formulate SMART indicators.</i>	Next UNDAF cycle
Capacity Building and Skill Development		
7.	<i>Ensure future trainings become more demand-driven so that they address the considerable variation in the service delivery capacities of different local governments and foster a greater degree of local ownership.</i>	Immediate and next UNDAF cycle
8.	<i>Strengthen financial planning, budgeting, procurement, budget execution, monitoring, internal control framework to ensure better financial management performance and stronger downward, upward and horizontal accountability.</i>	Immediate
Advocacy and Awareness Raising		
9.	<i>Devise innovative ways, including a systematic civic education programme, to address the continuing limited understanding of democratic principles and values in the country through advocacy and awareness programmes.</i>	Immediate and next UNDAF cycle
10.	<i>Further develop collaboration and partnership with the mass media as very strong change agents.</i>	Immediate and next UNDAF cycle.
11.	<i>Sensitize lawmakers on Child Adoption Bill.</i>	Immediate and next UNDAF cycle
S/N	For RGoB	Time Frame
5.	<i>Reform tax assignments allocated to each level and type of local government to reduce dependence on AG.</i>	Immediate

Table 20: Recommendations for the Result Matrix under UNDAF Outcome 4

By 2012, institutional capacity and people's participation strengthened to ensure good governance (MDG1, 3, 8)	
Under UNDAF Outcome 4	
<i>Add an indicator "Institutional and legal framework for people's participation in place. The indicator Proportion of women participating in elections has been refined as Proportion of women contesting in elections.</i>	
CT Output 4.1.4	<p><i>Replace CT Output 4.1.4 (National capacity at central and local level enhanced to ensure sound public financial management practices), given that the rest of the outputs focus more on transparency, accountability and efficiency at national level, while implementation has a particular focus toward local level.</i></p> <p><i>No indicators have been included that capture implementation of national priorities, although they affect national policy, planning and programme development.</i></p> <p><i>The following output is thus suggested in place of the current 4.1.4: Enhanced capacity of public sector to implement results-based policy, planning and programme development for MDGs, GNH and other national priorities.</i></p>
CT Outcome 4.2	<i>Eliminate the inclusion of the Office of the Attorney General (OAG) under CT Outcome 4.2 as redundant, since this Office is obliged by the Constitution to draft legislation in line with all international conventions and compacts signed and ratified by the parliament.</i>
CT Outcome 4.1	From the next cycle of AWP, support to the OAG will be rationalized against CT Outcome 4.1, not 4.2.

2.5 UNDAF Outcome 5 - Environment and Disaster Management

UNDAF Outcome :	By 2012, national capacity for environmental sustainability and disaster management strengthened (MDG7)
CT Outcome 1:	National capacity to address current environmental challenges and mainstream environmental concerns into policies, plans and programmes enhanced
CT Outcome 2:	National capacity for disaster risk management strengthened
CT Outcome 3:	Access to sustainable energy and livelihoods for remote geogs improved
CT Outcome 4:	Conservation of biodiversity and ecosystems enhanced

Key Trends Since 2008

The principle of sustainable socioeconomic development is one of the four pillars of the GNH approach, and numerous legal instruments have been put in place to ensure that the environmental impacts of development projects and activities are properly taken into consideration. Additional emphasis is being given to strengthening of the implementation of related policies and plans, as well as to their monitoring and evaluation.

With Bhutan deriving 64 percent of its wealth from its natural capital, primarily natural resources,⁶⁴ the environmental sector makes a substantial and very visible contribution to the Bhutanese economy through the employment that it generates. The agriculture sector alone provided

⁶⁴ World Bank, Where Is the Wealth of Nations? 2006.

about two-thirds of jobs – some 183,000 – in 2007. Together, agro-, water-, forestry- and mineral-based jobs directly and indirectly provided more than 75 percent of employment that year.⁶⁵

Private sector growth and economic development may be faster than the carrying capacity of the environment. Natural resource degradation and biodiversity loss are increasingly undermining current and future livelihoods. The poor continue to be those usually most affected, given that they are left with little or no alternative. Limited agricultural land and productivity, population growth and scattered distribution, accelerating rural-urban migration, infrastructure that is costly to maintain, and a nascent private sector all exacerbate fundamental environmental pressures.

At the policy level, efforts are under way on such important initiatives as the National Food Security and Nutrition Policy and the National Biodiversity Policy. A lack of coordination in environmental mainstreaming is beginning to be addressed, as is the need for a comprehensive environmental legal and policy framework. New focus is being given to compliance and enforcement of environmental regulations, even as capacity of relevant agencies and access to environmental data and monitoring systems are being strengthened.

Bhutan’s vulnerability to extreme risks from natural hazards was clearly demonstrated in 2009, when the country experienced widespread floods caused by Cyclone Aila in May that year. A 6.1-magnitude earthquake shook eastern Bhutan four months later, in September 2009, killing 12 people; damaging nearly 5,000 rural homes, 117 schools, 45 Basic Health Units, 29 Renewable Natural Resources Centres and 26 local government offices; and leaving more than 7,000 people without adequate shelter.

The total estimated cost of recovery and reconstruction was US\$5.2 million, dealing a heavy blow to implementation of development programmes under the 10FYP. A joint RGoB-UN-WB rapid needs assessment for recovery, reconstruction and risk reduction mobilized resources of more than US\$1 million for relief efforts in shelter, health and nutrition, education, and water, sanitation and hygiene. At the same time, a draft Disaster Management Act is still awaiting presentation to the Parliament by the Cabinet.

Overall Assessment of Progress Toward UNDAF Outcome

Overall, achievements toward this UNDAF Outcome are satisfactory.⁶⁶ The prominence of and political support for decentralized governance under the new parliamentary democracy in Bhutan provides an opportunity for mainstreaming environmental issues and targeting capacity development, including among CSOs/NGOs. UNDAF interventions have engaged diverse stakeholders through adopting a multi-sectoral and decentralized approach with a community focus. This also has provided space for synergy and convergence among stakeholders.

Key Achievements

CT Outcome 1

CT Outcome 1:

National capacity to address current environmental challenges and mainstream environmental concerns into policies, plans and programmes enhanced

The main factor that has demonstrated positive results is deepened RGoB recognition of mainstreaming poverty-environment linkages as a key element of achieving the overarching goal of poverty reduction during the 10th FYP. The Government’s pro-conservation policies and the GNH philosophy have greatly enhanced such progress. Bhutan was the first country in the Asia-Pacific

⁶⁵ Statistical Year Book 2008.

⁶⁶ See individual CT Outcome rankings by Environment and Disaster Management TG in Annex 1.

region to implement the Poverty Environment Initiative (PEI) programme, beginning in 2008. Through the positive results attained during Phase I of this UNCT-supported initiative, this joint partnership has prompted bilateral partners like DANIDA to extend its support in the second phase. The joint UNDP-UNEP-DANIDA programme will work closely with other multi-donor programmes such as the LGSP to mainstream environment, climate change and poverty concerns into policies, plans and programmes at national and local levels. Likewise, Phase II will support related capacity development needs within sectors at all levels of Government, as well as in CSOs/NGOs.

An analysis of the Public Environment Expenditure (PEE) for the 9th FYP (2003-2007) indicated an average public expenditure on environment of 7.4 percent. This analysis will provide a baseline for future trend analysis in budget allocation and execution, and will help to effectively monitor progress on the contribution of environment toward sustainable development, achievement of MDG targets and Bhutan's national Vision 2020.

The UN support has helped establish clear procedures and mechanisms in the Government to report in a timely manner on international environmental conventions and agreements, including the UN Framework Convention on Climate Change, the Convention on Biological Diversity, the Convention to Combat Desertification and the Convention on Ozone Depleting Substances. The UN support also has enhanced collaboration not only between the UN and the RGoB, but also among the different arms of the overall environmental governance system within the Government, bridging gaps between some RGoB agencies.

A project on Public-Private Partnership for Integrated Solid Waste Management (PPP-ISWM) has been prepared to pilot the public-private partnership model in the delivery of equitable and efficient waste services in Thimphu municipality. In testing and replicating the PPP model, the UNCT will engage the private sector and local communities in public service delivery to make it more cost-effective and affordable.

The key now is to ensure that adequate capacity for mainstreaming exists and that cross-sectoral concerns such as environment, poverty, climate change and disaster risks are integrated into the upcoming 11th FYP. The ground for such a process has already been laid. The UNCT has trained its own staff as well as Government counterparts on RBM and M&E to enhance effectiveness of programme implementation.

CT Outcome 2

CT Outcome 2:	National capacity for disaster risk management strengthened
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The UN support under this CT Outcome has focused on institutional strengthening and deployment of institutional mechanisms for disaster risk reduction as well as support to establishment of a clear legal framework for implementation of programmes addressing disaster risks. The UNCT has worked particularly closely with the GNHC Secretariat as well as the Disaster Management Department and, through them, with other relevant stakeholders.

Vulnerabilities to earthquakes, Glacial Lake Outburst Floods (GLOFs) and other climate risks are being addressed through the rollout of community-based DRM training in selected districts, focused on women, children and the elderly; development of seismic codes and guidelines for earthquake-proof construction; and other initiatives, including both structural and "soft" institutional measures.

Activities under the regional GLOF risk reduction project have focused on partnerships and networking among researchers and practitioners from Bhutan, India, Nepal and Pakistan on various issues, including community-based disaster risk reduction. A sectoral synergy/coordination on establishing Early Warning Systems in GLOF-prone areas is in place. Preparedness planning, including school safety, are in place or in progress. Basic rescue and emergency communications equipment has been provided to *dzongkhags*.

The UN assistance in coordinating emergency relief and recovery support to the Government in the aftermath of the September 2009 earthquake and the floods due to Cyclone Aila in May 2009 have been valuable to the RGoB at a time where the capacity to manage disasters is still developing. Overall, the UN support has been able to lay a sound foundation for implementation of such programmes, with a strategy for DRM in place following support to the formulation of the National DRM Framework.

CT Outcome 3

CT Outcome 3:	Access to sustainable energy and livelihoods for remote geogs improved
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Interventions have contributed to development of renewable energy options in the country through a pilot intervention to develop a 100kW micro-hydro project in Sengor, a remote area in eastern Bhutan. The project has departed from the normative energy service model to one that converts energy services to productive use through encouragement of income-generating activities and small-scale local enterprises. This has demonstrated the efficacy of a community-based micro-hydro model and framework; it also has contributed to the global environment through reducing greenhouse gas emissions by replacing wood-fired energy sources. Lessons from the project have been incorporated into the draft renewable energy policy that the RGoB is formulating, and replication in other remote areas eventually will assist the Government in achieving its goal of electricity for all by 2020. At the same time, replication will depend on a concerted effort by the RGoB and the international community to set up local technology and delivery support systems.

CT Outcome 4

CT Outcome 4:	Conservation of biodiversity and ecosystems enhanced
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This CT Outcome is well-aligned with the main pillars of GNH; the Bhutan 2020 document; the constitutional mandate of maintaining at least 60 percent of forest cover at all times; MDGs 1 and 7; and the 10th FYP goals of enhancing sustainable rural livelihoods and food security, as well as conserving and promoting sustainable commercial use of forest and water resources. Progress has been made through UN support to implementation of four pro-poor projects focused on agrobiodiversity conservation, Sustainable Land Management (SLM), Human Wildlife Conflict (HWC) management and nature-based tourism. The country’s protected area coverage has increased from 38.5 percent (2007 baseline) to 51.44 percent (2010).

In addressing HWC issues, Bhutan National HWC Management Strategy was formulated in 2008 and implementation of the strategy was supposed through the DaO Fund and UNCT core resources in three pilot sites. Lessons documented will assist in upscaling the mitigation measures and capacity building efforts in the current UNDAF period and beyond. SLM issues are addressed through capacity building and demonstration of SLM best practices across the country. The SLM initiative has enabled sensitization of the importance of addressing land degradation issues at various levels – policymakers, implementers and grassroots communities. The National Action Programme to Combat Land Degradation and its financing strategy will continue to guide SLM initiative in Bhutan and enable mainstreaming into policies, plans and programmes, both at national and local levels.

Efforts also are under way to promote continued farming of traditional varieties of crops and breeds of animals through the “Triple Gem” approach by improving productivity, developing markets and facilitating market accessibility. In-situ conservation of crops and livestock breeds are under way in 18 sites of eight districts, and ex-situ conservation of plant and animal genetic resources are being pursued in the gene bank facility based in the National Biodiversity Centre. To sustain mainstreaming of biodiversity conservation into livestock and crop development policies and practices, the MoAF is working to develop a National Biodiversity Policy and National Food Security and Nutrition Policy.

Biodiversity conservation has been further strengthened through institutionalization of biological corridors management; communities have been empowered through participatory

assessments, and thus better able to identify conservation issues in decision-making processes. A strong sense of ownership has been key in ensuring sustainability of results. The biodiversity project, which targets strengthening of farmers' capacity and community participation, also has led to an increase in income-generating activities through the sale of buckwheat products and rice; a buckwheat conservation group generated income of Nu. 1,20,000 in 2009 through such sales, with 80 percent of beneficiaries reported to be women.

Overall Challenges in Environment and Disaster Management

Issues of climate change and related hydro-meteorological hazards, which are becoming a serious concern for the country, require mainstreaming. Another emerging area of concern is urban environmental management; with rapid socioeconomic development and changes in consumption patterns, the RGoB faces challenges such as provision of essential solid waste management services in major urban areas.

The cross-sectoral nature of mainstreaming environment initiatives, particularly along with poverty reduction initiatives, makes coordination and stakeholder engagement highly demanding. The fact that, for example, the PEI programme has not been tried elsewhere in the region also limits progress because no available best practices are available from which to draw.

Although the Government has devoted significant attention to the linkages between energy and poverty at policy level, concrete projects still require implementation on the ground; in addition, while a concerted focus has been directed toward further development of the hydropower sector, hydropower does not necessarily link to and/or promote CT Outcome 3. A stronger understanding of the linkages between environment, disaster management and gender is necessary. IPs have expressed difficulties in aligning CT Outcomes and outputs with individual projects, given that some projects address several CT Outcomes. This has proven confusing for IPs while planning and reporting, while the importance of relevant issues can be diluted under these circumstances.

Contributions to education components under this UNDAF Outcome particularly require further attention to ensure that a sufficient number of principals and teachers are oriented on education in emergencies, as well as increasing the number of schools conducting mock drills for disaster management. Constraints have been both financial and in terms of human resources, compounded by the policy for teachers to complete 180 instructional days. Sustainability also remains a challenge, given the lack of mainstreaming of disaster management and education in emergencies in teacher training colleges.⁶⁷

Remaining challenges in SLM include a lack of both technical and financial resources, as well as the long gestation period of SLM interventions, with communities unwilling to adopt initiatives that do not show more immediate results. Capacity constraints, lack of coordination and lack of resources at all levels for addressing HWC issues. Disaster focal persons from different departments still need to be identified and their capacities built at national level so as to ensure deepened synergy among Ministries while implementing the national Disaster Management Framework.

Delays in implementation of most projects and programmes have proven common constraints to overall progress. Government feedback attributes many of these delays to lengthy RGoB procurement procedures; shortages of human resources and high turnover in project personnel; need for strengthened planning and budgeting; and requirements for highly technical expertise that often is difficult to obtain.

⁶⁷At the same time, the 1,400 students and 200 teachers affected by the September 2009 earthquake in eastern Bhutan received timely relief after more than 100 community and primary schools were damaged in the most affected districts of Trashigang and Mongar. This rapid response was largely the result of several trainings in 2008 that equipped district and assistant district education officers with the knowledge and skills to respond appropriately during emergencies.

Recommendations

Table 21: General Recommendations on Policy and Programme – Environment and Disaster Management

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	<p>Give further attention to climate change mitigation and adaptation measures, including through promotion of energy-efficient technologies and programmes, and ensure that climate change and DRM are adequately integrated into national policies, plans and programmes.</p> <p>Opportunities also exist for the UNCT and the Government to explore possible alternatives through additional promotion of solar, wind and sustainable biomass energy.</p>	Immediate and next UNDAF cycle
2.	<p>Give greater attention to emerging issues in the “brown” sector, including waste management and urban environmental issues, in light of newly adopted legislation and priorities.</p>	Immediate and next UNDAF cycle
3.	<p>Current support for reporting on Multilateral Environmental Agreements (MEAs) do not cover all relevant MEAS that Bhutan is party to. Therefore, assess environmental conventions to which Bhutan is party and identify opportunities for support.</p>	Next UNDAF cycle
4.	<p>Formulate SMART indicators.</p>	Next UNDAF cycle
Capacity Building and Skill Development		
5.	<p>Ensure that adequate capacity exists to mainstream environmental concerns into national and local development processes and that cross-sectoral concerns are incorporated into the 11th FYP. Build further on decentralization to target capacity building at regional and local levels and better mainstream environmental issues.</p>	Immediate and next UNDAF cycle
6.	<p>Strengthen institutional, legal, policy and organisational capacities for climate proofing initiatives and climate change adaptation interventions.</p>	Immediate and next UNDAF cycle
7.	<p>Engage CSOs, which will play an increasingly important role in the new governance structure and mainstreaming process.</p>	Immediate and next UNDAF cycle
Advocacy and Awareness Raising		
8.	<p>The concept of environmental mainstreaming environmental issues is still new for most people in Bhutan. Therefore, devote more support to training and awareness.</p>	Immediate and next UNDAF cycle
S/N	For RGoB	Time Frame
1.	<p>Ensure that success stories are observed and lessons extracted and utilized in the relevant bodies of RGoB.</p>	Immediate and next UNDAF cycle

Table 22: Recommendations on UNDAF/cCPAP Process

S/N	Recommendations on UNDAF/cCPAP Process	Time Frame
1.	Ensure greater clarity on roles and responsibilities in the TG, along with more commitment and participation.	Immediate

Table 23: Recommendations for the Result Matrix under UNDAF Outcome 5

By 2012, national capacity for environmental sustainability and disaster management strengthened (MDG7)	
CT Outcome 3	<p>CT Outcome 3 could be reformulated to reflect climate change priorities and support. The current formulation on sustainable renewable energy may be subsumed under this broad climate change outcome as one of the key outputs.</p> <p>Change the first Outcome indicator under CT Outcome 3 to “No of detailed RE frameworks and stakeholders actively involved in and supporting dissemination of RE technologies.”</p>
CT Output 3.1	Change CT Output 3.1 to “adequate policies on renewable energy in place, strong institutional linkages established and knowledge, awareness and capacities if stakeholders improved.”
CT Output 3.2	Change CT Output 3.2 to “effective and affordable renewable/alternative energy technologies for remote geogs supported through demonstration projects and private sector participation.”
CT Output 4.1	Delete CT Output 4.1, which focuses mainly on capacity development to operationalize new protected areas and biological corridors. The output was not found to be relevant. No support was rendered under the current UNDAF in establishing new protected areas or biological corridors.

2.6 Gender Equality

Assessment of Gender Equality as a Crosscutting Issue in the UNDAF/cCPAP

Bhutan is a signatory to both CEDAW and CRC. Reference to the value of gender equality is made in various provisions of the 2008 Constitution. The principle of non-discrimination on the basis of gender is specifically reflected under the principles of State policy in the Constitution, including Article 9 (3), which states: “The State shall endeavour to create a civil society free of oppression, discrimination and violence, based on the rule of law, protection of human rights and dignity, and to ensure the fundamental rights and freedoms of the people.”

Moreover, Article 9 (17) of the Constitution declares: “The State shall endeavour to take appropriate measures to eliminate all forms of discrimination and exploitation against women, including trafficking, prostitution, abuse, violence, harassment and intimidation at work, in both public and private spheres.” Alongside other countries, Bhutan adopted the UN Millennium Declaration in 2000 and is well-placed to achieve most of the targets set up in the MDG framework by 2015.

The UNDAF and cCPAP embraces a comprehensive mechanism for gender mainstreaming through a network of Government and UNCT Gender Focal Points (GFPs). Other partnerships are available through multilateral and bilateral agreements with the RGoB; likewise, there exist NGOs working for women’s rights and gender equality through a number of programme interventions.

The UNDAF further supports the implementation of NPAG 2008-2013, focusing on three aspects: (1) Strengthening capacity of GFPs, GNHC, and NCWC; (2) Strengthening collection, analysis and use of sex-disaggregated data and gender-related information; and (3) Integrating gender into monitoring and evaluation. Many of the achievements and challenges under Gender Equality already have been delineated under analysis of specific UNDAF Outcomes; additional positive and negative issues include:

Key Achievements

Gender equality provides a concrete example of the catalytic role that UNDAF can play in domestic policy formulation and implementation. When discussions started regarding the formulation of the 2008-2012 UNDAF, Bhutan was still debating the relevance of gender⁶⁸ in the local context. Nevertheless, gender equality goals were included among national priorities. Gender is a stated crosscutting component of the UNDAF/cCPAP, and gender equality is an outcome area in relation to education.⁶⁹

Having such goals reflected in the UNDAF led to three positive results: a) Bhutan started to meet more of its commitments under CEDAW; b) the momentum was created for gender mainstreaming in Bhutan, as reflected in national plans; and c) Bhutan took concrete action on women's issues on the basis of the Concluding Comments by the Committee on the Elimination of Discrimination Against Women.

The UNDAF and cCPAP supported high-level sensitization and advocacy programmes to ensure shared understanding of women's and gender issues among policy-makers and heads of Government agencies. It underlined the challenges to Bhutan in terms of operationalizing its international commitments – and its commitments to its people – in the promotion of women's rights and gender equality. The response has been singularly impressive toward ensuring political will at the highest levels. Across TGs, a Gender Checklist has been formulated by the Gender Task Force. Although still to be rolled out, this checklist is intended as a reference for gender mainstreaming plans. The HACT/M&E Group also has designed a monitoring system, likewise to be rolled out, to cohesively look at gender mainstreaming efforts across themes/sectors.

While building capacity at the level of IPs, the UNDAF and cCPAP also have been supporting efforts at training women in communities to acquire more skills to become productively engaged. It has furthered efforts across thematic areas to facilitate an enabling environment through policy formulation and the creation of mechanisms for more participation of women. The UN support is particularly addressing the lack of technical capacity among policymakers to assess the gendered implications of macroeconomic policies, including trade policy.

Gender responsiveness is central to the concept of CFS, which is being supplemented by the UNCT-supported feeding programme to encourage more children, especially girls, to attend school. At higher levels, however, girls' educational transition remains negatively affected.⁷⁰ Meanwhile, more females than males are NFE learners, as noted under UNDAF Outcome 3.

Overall Challenges - Gender Equality

Despite its inclusion in the UNDAF/cCPAP, gender equality *de facto* was not central to the UNDAF process, and gender considerations were included in the UNDAF without a systematic assessment. A few indicators mention gender, often referring to sex-disaggregated data, but no

⁶⁸ Socially constructed differences between men and women.

⁶⁹ UNDAF Outcome 3: By 2012, access to quality education for all, with gender equality and special focus on hard-to-reach population, improved.

⁷⁰ R. Samdrup, *op.cit.* This study highlighted the following reasons why girls' enrolment falls significantly at higher levels of education: (1) performance in science/mathematics on Class X common exam; (2) poverty; (3) society, socialization and psychological factors; (4) home environment; (5) school environment; (6) physiological and health aspects; (7) impact of geography.

substantive change in gender relations is articulated. Progress on gender mainstreaming⁷¹ remains uneven. In particular, a lack of understanding of the nuances of gender mainstreaming and lack of capacity to engender sectoral programmes exist. Gender parity is over emphasized rather than gender equality. Women-focused legislation such as the Inheritance Act have been adopted, but may be need to be reviewed to better determine the Act's merits for women.

Continuing lack of detailed data disaggregated by sex, and lack of a baseline assessment against which progress can be measured. At the same time, Bhutan is steadily producing more sex-disaggregated data overall, which is a positive trend and needs to be encouraged.

Currently, hydropower sector is the backbone of Bhutan's economic growth. However, lack of women's involvement in the hydropower sector makes it challenging to achieve the goal of gender equality in income generation. This is related to a lack of female tertiary education enrolment, particularly in the fields of engineering, math and sciences, as highlighted in the 2010 Labour Market Information Bulletin. This issue is not considered in the UNDAF.

No conscious effort to reach out to women to facilitate skills development and establishment of MSMEs.

GFPs from the Government and UNCT, who comprise the Gender Task Force for the UNDAF/cCPAP, have not realized their potential and require further strengthening, as is already being undertaken by donors such as DANIDA. Coordination of the network of GFPs and, consequently, the gender mainstreaming process remains vague among IPs because of ambiguous roles of GNHC and NCWC in this regard. GFPs should be among those who hold strategic, decision-making positions in their respective agencies, which is not presently the case for most. GFPs also should undertake proactive initiatives through specific workplans on gender mainstreaming synchronized across units/Ministries/ commissions and monitor these accordingly.

As expressed by the CEDAW Committee, ensuring enough resources are allocated to the NCWC has been a challenge, so that it may not be able to fully carry out its functions and retains low visibility in rural and remote areas. Despite resources being made available through UNDAF/cCPAP, they may be underutilized. For example, only 15 percent⁷² of target beneficiaries under UNDAF/cCPAP have come forward to access credits thus far. Hospital facilities are available for free, but records show that there have been only 67 percent institutional deliveries, despite RGoB.⁷³ Even when opportunities are presented, people may not come forward: for example, in running for election even as preparations for local elections were under way. Partners and stakeholders in UNDAF must probe reasons specific to men and to women why they are not accessing credit or availing of medical facilities or coming forward to register in running for elections, if development programming is to be deepened.

Although significant attention is being given to maternal health, more needs to be done with regard; for example, to analysis and awareness of the effects of HIV/AIDS on women in the country, given the high prevalence of heterosexual transmission. Efforts by the Government and the international community are required to respond to demands for more female medical and health professionals.

⁷¹ The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated.

⁷² Rapid Impact Assessment of Rural Development 2007.

⁷³ MoH, Annual Medical Bulletin 2010.

Recommendations

Table 24: General Recommendations for Gender Equality

For the UNCT and RGoB		Time Frame
Planning and Programming		
1.	Formulate a Gender Strategy Plan for UNCT as part of UNDAF 2013-2017.	Immediate
2.	<p>Introduce gender perspective throughout the project cycle, e.g. planning, implementation, monitoring and evaluation. The centrality of gender must be consciously acknowledged even during preparing AWP, quarterly reviews and reporting; and</p> <p>A thorough gender analysis must be employed at every stage of the planning cycle. Design M&E with qualitative indicators alongside sex-disaggregated data, e.g., participation of women, men, boys, and girls.</p>	Immediate/next UNDAF cycle
3.	<p>Initiate gender-responsive budgeting through facilitating understanding and building skills in this regard;</p> <p>Facilitate review of budget by various Ministries and Government agencies and provide technical support in undertaking the process of gender-responsive budgeting; and</p> <p>Initiate consultations among partners on institutionalization of gender-responsive budgeting.</p>	Next UNDAF cycle
4.	<p>Systematically provide sex-disaggregated data through documentations, periodic reports, M&E reports under UNDAF/cCPAP. Where formats and checklists exist, they must be rolled out/implemented;</p> <p>Existing data should be collected, collated and analyzed from a gender “lens” and made available for use in policy and programme planning;</p> <p>In sectors where sex-disaggregated data are not available, a purposive exercise must be undertaken to collect the same. Coordination with the NSB should be considered; and</p> <p>Aside from women, men, boys and girls, data on homosexuals, transgendered persons, and MSM would be crucial for more effective HIV/AIDS interventions, gender-based violence and employment opportunities.</p>	Immediate/next UNDAF cycle
6.	Clarify issues of gender in environment to better underpin gender mainstreaming; continue sensitizations, but with clear identification of issues and recommendations.	Next UNDAF cycle
Partnership and Coordination		
7.	<p>Strengthen the network of Gender Focal Points (GFPs) and the RGoB-UN Gender Task Force through continuing education on gender issues by information bulletins, Solution Exchange discussions and further training; and</p> <p>Institute a system of rewards and accountability by making gender mainstreaming work a key result area.</p>	Immediate
8.	<p>Strengthen synergy of ongoing partnerships with multilaterals and bilateral in gender mainstreaming issues; and</p> <p>Create a forum for donors to share experiences and expertise and ensure that there is no duplication of interventions.</p>	Immediate and next UNDAF cycle

Advocacy and Awareness Raising		
9.	<p>Facilitate continued, parallel gender sensitization of UNDAF partners in RGoB and UN System alike;</p> <p>Sensitize the media to assist with public awareness on gender issues; support campaigns through TV “spots” or ads on gender issues; and</p> <p>Ensure parallel sensitization of decision-makers at all levels, the general public and women at the grassroots.</p>	Immediate and next UNDAF cycle
10.	<p>Support campaigns for policy and legal reform, e.g., Domestic Violence Bill;</p> <p>Sensitize policy makers for integration of gender into macro-economic policies, including trade policy.</p> <p>Support the process of educating the public on gender and law, women’s rights/human rights, gender equality and justice;</p> <p>Facilitate understanding of lawmakers and the judiciary on gender issues and the gender dimensions of the law;</p> <p>Provide the attorneys trainings on the gender dimensions of the law; and</p> <p>Share widely various existing studies and reports on women and gender issues in Bhutan by different agencies and individuals to inform policy reform and formulation.</p>	Immediate and next UNDAF cycle
S/N	For RGoB	Time Frame
1.	Implement or define more clearly the mechanism relating to the network of GFPs vis-a-vis the NCWC, strengthening coordination by and the leadership of NCWC.	Immediate
2.	Define clearly the GNHC-NCWC mechanism to strengthen gender mainstreaming with RGOB.	Immediate
3.	Provide that the mandate and accountability for gender mainstreaming by GFPs are not confined to an individual but officially shared by a unit or division within the IP.	Immediate
4.	The recommendations on gender issues should be integrated into macro-economic policies, including trade policy.	Immediate
5.	Support policy changes to translate from gender-neutral to gender-responsive policies and plans of action to addressing gender-specific issues. Give further attention to encouraging the participation of women as candidates and enhancing their chances of getting elected. ⁷⁴	Immediate and next periodic plan of RGoB.
6.	Review current budgetary provisions of key sectors from a gender lens.	Immediate and next periodic plan of RGoB.

⁷⁴ While female participation as voters was even greater than that of men (54 percent of voters), they formed only 12.6 percent of candidates and 8.4 percent of elected officials. Women’s voter turnout, however, is seen in part as an indicative success of UNDAF support to voter education; in the future, the UNCT will need to capitalize on this positive experience.

Table 25: Recommendations on UNDAF/cCPAP Process

S/N	Recommendations on UNDAF/cCPAP Process	Time Frame
1.	<i>Facilitate more cohesive and substantive engagement of all UN agencies and partners, especially non-resident Agencies such as UNIFEM (Part of UN Women).</i>	Immediate and next UNDAF cycle
2.	<i>Document institutional memory of coordination mechanisms and partnership in gender mainstreaming to help facilitate continuity in UNDAF/cCPAP.</i>	Immediate and next UNDAF cycle

Table 26: Recommendations for the UNDAF Result Matrix

Review indicators to ensure that they are not “gender-blind.”	
<p>For example, under UNDAF Outcome 1</p>	<p><i>CT Outcomes 1 and 2 identify “smallholder farmers,” “marginal farmers” and “vulnerable groups” as stakeholders without qualifying which farmers or groups are being addressed. Specific interventions to cater to the needs of women farmers or smallholders can only be served if they are properly identified and located.</i></p>

Delivering as One: Effectiveness and Efficiency

Delivering as One (DaO) has been useful in assisting the RGoB in its attempt to make targeted interventions to reduce poverty; increase access of Bhutanese people to an improved health services and quality education; strengthen democratic and good governance; mainstream environment and Disaster Management issues; and encourage gender mainstreaming.

The UN support under **poverty reduction** was delivered through seven joint Annual Work Plans (AWPs), among UN Agencies including UNDP, UNICEF, UNFPA, WFP, UNCTAD, UNESCO, FAO, UNESCAP and UNIFEM. The Joint AWPs were developed in collaboration with GNHC, Tarayana Foundation, other IPs such as MoAF, MoEA, BDFC, and district and Geog (block) level Government bodies. UN coordination and cooperation was strengthened, especially at planning stages, which as a result, has increased effectiveness of UN assistance in achieving targeted results. Standard Progress Reports (SPRs) from the RGoB were improved based on pilot testing, and the UN agencies now accept the same SPR format for periodic reporting requirement by IPs.

Expanded DaO funding window funds have proven critical in strengthening human resources in **health** sector, particularly in the area of diagnostic services. DaO initiative has increased coherence among UN Agencies, including UNFPA, UNICEF and WHO. It has also enhanced UN agencies' interaction with their Government and non-Government partners in dealing with health issues. UN Agencies jointly assisted in introduction of the Human Papilloma Virus (HPV) vaccine, thereby helping to reduce cases of HPV, the main cause of cervical cancer. Together, the UNCT also has provided technical support to the newly established course on Bachelor of Public Health at the Royal Institute of Health Sciences (RIHS). A UN partnership was established with JICA for technical assistance in EPI logistics and strengthening of management capacity.

Likewise, the DaO funds have strengthened the joint planning process between the UN agencies and the RGoB members in the area of **education**. The number of AWPs and projects are significantly reduced, thus optimizing the use of limited resources. Funding gaps in some activities have been addressed smoothly through the pooling of funds, which is illustrated in the following examples. UNICEF, WFP and UNFPA came together to support CFS and NFE in Mongar, Zhemgang and Samtse; WFP, UNICEF and UNESCO and other development partners joined hands to advocate education for the unreached; and the related UN agencies and partners are working together to support capacity development of key stakeholders to deal with adolescent issues. UNICEF, WFP and UNFPA are working with the Environment and Disaster Management TG with regard to strengthening disaster risk management in the education system.

Likewise, in the area of **governance**, support was provided through four Joint AWPs among UNDP, UNICEF, UNCDF, UNESCO, UNFPA and UNIFEM. This has helped enhance institutional linkages and sharing of knowledge and information on each others' programmes and expertise. Better understanding and cooperation among UNCT staff has led to effective implementation. DaO funds in 2009 were used to support establishment of a One-Stop Crisis Centre at Jigme Dorji Wangchuck National Referral Hospital to cater to the needs of victims of domestic violence and rape. The funds were used also to support RGoB formulate Rules and Regulations for the Local Government Act 2009; as well as to prepare preparatory work for local government elections. Overall, most effective results for the joint programming and partnership among UN Agencies were found in gender equality, media and local government support.

Joint AWPs were developed by UNDP and UNEP and by UNDP, UNICEF and WFP to support RGoB in its effort to **environment** mainstreaming, climate change mitigation adaptation, and **disaster management**. In addition, UNCDF's support to local development planning in the area of

climate change adaptation, and to strengthen institutional, legal and policy capacity to ensure climate proofing initiative has remained a crucial collaboration. The DaO funds have been instrumental in bridging gaps in the assigned UNDAF/cCPAP budgets under environment and disaster management. In 200, the TG utilized DaO funds for risk reduction measures, including procurement of emergency equipment and funding of disaster training programmes. In 2010, DaO funds were used for recovery and reconstruction efforts following 2009 damage from Cyclone Aila and the earthquake in eastern Bhutan, as well as for a climate change-focused side event to complement the 16th SAARC Summit in Thimphu. Since UNEP has no local presence in Bhutan, it has capitalized on UNDP's in-country presence. The UNDP-UNEP partnership on the PEI is one of the best examples of UN collaboration in Bhutan.

Opportunities exist for enhanced collaboration within the UNCT, as well as among the UN, Government and bilateral donors, particularly on issues such as climate change and water resources. Other areas for partnership includes: operationalizing protected areas and biological corridors (with WWF) and community-based ecotourism programmes (with the Royal Society for the Protection of Nature, Tarayana Foundation, SNV, Association of Bhutan Tour Operators, and Tourism Corporation of Bhutan). Collaboration is already ongoing on SLM with DANIDA, WB/Global Environment Facility (GEF) and UNDP/GEF. In addition, the latter is complementing ongoing and previous initiatives by the Netherlands, the One Geog Three Products (OGTP) initiative of the Government and support from the European Commission.

Gender issues were taken into account and mainstreamed during formulation of all projects, as reflected in project documents and AWP. Projects including the PEI, biodiversity, human-wildlife conflict, and the Sengor community micro hydro delivery model have made a difference for women in targeted areas in terms of income generation and employment. The joint programming enabled policies and procedures to an integrated disaster risk reduction mechanism; and generated support from UN Agencies and other development partners to address the immediate needs of the RGoB in the aftermath of Cyclone Aila and the September 2009 earthquake.

The UNDAF TG as a coordination mechanism is appropriate, but the roles and responsibilities of the TGs are not yet well understood. Opportunities exist for the UN and the RGoB to work together more effectively, in a mutually reinforcing manner. Some TG members and IPs mentioned that regular coordination meetings entailed high costs in terms of time required, though the UNDAF mechanism has increased common understanding on shared goals and programming principles. Different work processes of UN Agencies continued to pose a barrier to improved effectiveness and efficiency. Different procedures required by organizations place a high level of demand on IPs with regard to fund transaction and liquidation.

The joint programming has offered some leeway into meeting the needs of programmes, and pooling of funds from different sources has proved useful at times. Nevertheless, some funding gaps remained unaddressed. The trend in resource flows/availability was erratic. Also, delays in release of resources, by both the RGoB and UNCT, represented another factor hampering implementation and achievement of the desired results in a timely fashion.

Conclusion

The preceding pages of the report have analyzed the UNDAF and striven to answer fundamental questions with regard to this Mid Term Review. Many answers are explicit, although some remained implicit. This short chapter recapitulates the main questions raised and responds to them as concretely as possible in a matrix form. All questions are from the Terms of Reference for the MTR

Table 27: Summary of main questions raised in the MTR

Questions?	Answers
How effectively and efficiently does the UN contribute explicitly to the achievement of the MDGs and the national priorities/GNH?	<i>The UN is contributing specifically both to the achievement of the MDGs and to GNH, as detailed in the Executive Summary.</i>
Is the current UN assistance still relevant to the national priorities?	<i>Overall, yes; however, emerging issues will need further attention in the next UNDAF cycle.</i>
Has the UN recognized and effectively responded to urgent and emerging priorities which were not originally in the UNDAF/cCPAP?	<i>Yes and no; for example, while DRM is beginning to be mainstreamed across all priority areas, far more needs to be done. This also is applicable to key issues such as youth unemployment, gender mainstreaming and others.</i>
How has the Delivering as One approach fostered complementarity among the UN Agencies, Funds and Programmes? How can the UNCT build on strengths? What further improvements could be made, if any?	<p><i>DaO has ensured better coordination and harmonization among Agencies and has sharply reduced the number of AWPAs, underscoring efficiency. At the same time, such a level of coordination requires significant costs in terms of time and inputs, for both the UNCT and RGoB.</i></p> <p><i>Additional attention may be given to this issue in the next UNDAF cycle. UN Agencies, regardless of size or location (in-country or non-resident), should deepen commitment to DaO and are advised to resolve remaining issues in funds release to smooth implementation.</i></p>

<p>How far has the coherence and harmonization process under Delivering as One approach progressed? How could it be strengthened further?</p>	<p><i>HACT has been adopted by all UN Executive Committee Agencies.</i></p>
<p>Has the UNDAF/cCPAP followed both a human rights-based approach and a results-based approach? How has gender been mainstreamed?</p>	<p><i>UNDAF/cCPAP adheres to the principles of a human rights-based approach and a results-based approach. However, gender mainstreaming has been assessed as largely not central to the current UNDAF and must be made more substantive during the next UNDAF cycle.</i></p>
<p>Is the current planning system functional and what are its strengths?</p>	<p><i>The current planning system is functional and demonstrates adequate coordination, but could be further strengthened by greater attention to key issues such as gender mainstreaming and communities' absorptive capacity.</i></p>
<p>Is the M&E system fit to capture progress on the existing UNDAF/common Country Programme Action Plan? Can the data collected through the system be effectively used to assess the UNCT's contribution to the MDGs and 10th FYP targets?</p>	<p><i>Although UNDAF/cCPAP indicators have been revised and improved, it is essential to formulate SMART indicators for the next UNDAF cycle, which will make M&E more effective in evaluating both progress and coordination.</i></p>
<p>Is the current M&E system fit to identify issues and challenges in UN coordination in Bhutan?</p>	<p><i>See above answer.</i></p>
<p>Are the Theme Groups' self-assessment reports (mid-term and end-year) effectively integrated into the M&E system? Is this reflected in the mid-term and end-year TG reports? To what extent do these reports reflect the joint views of the UN and the RGoB? How can the Country Programme Board be made more effective, especially in communicating results and challenges to senior decision makers?</p>	<p><i>TG self-assessments and CPB results are being taken into consideration in addressing challenges throughout the UNDAF cycle. Further attention may be given to ensuring quality and consistency of analysis, particularly in TG self-assessments. CPB reports should be streamlined and concise for effectiveness.</i></p>
<p>How can UN agencies ensure longer-term sustainability of the joint M&E process?</p>	<p><i>Strengthening the HACT/M&E Group and embedding of its responsibilities and recommendations across UNDAF priority areas will be essential to longer-term sustainability of joint M&E.</i></p>

Annex I

Consolidated CT Outcome Rating from MTR Evaluations and Self-Assessments

UNDAF Outcome	CT Outcome	Overall Midterm Progress	Relevance	Clarity	Sustainability
By 2012, opportunities for generation of income and employment increased in targeted poor areas	Access to socioeconomic services, markets and information improved for smallholder and marginal farmers in targeted rural areas	3	3	1	1
	Food security enhanced among smallholder farmers and other vulnerable groups in targeted rural areas	2	3	2	1
	Capacity of the Government strengthened to formulate a policy framework for private sector development to respond to economic constraints and vulnerabilities, with a focus on employment generation and pro-poor growth	2	3	2	2
	Micro and SME jobs created, with emphasis on women and youth	2	2	2	1
	Enhanced capacity of public sector to implement results-based policy, planning and programme development, especially to achieve the MDGs and poverty reduction	2	3	2	2
By 2012, increased access and utilization of quality health services with emphasis on reproductive health, maternal and child health, and nutrition, HIV/AIDS, TB, malaria and other non-communicable diseases	Capacity of Government strengthened to formulate and implement results-oriented policies and strategies that create an enabling environment for reproductive health, maternal and child health, STIs, HIV/AIDS, TB and malaria programmes	3	3	3	3
	Capacity of Government strengthened to increase access to and delivery of quality health services for all, including reproductive health, maternal and child health and nutrition, TB, malaria and other non-communicable diseases	2	2	2	2
	Capacity of Government strengthened to respond to prevention, care and treatment of HIV/AIDS and STIs through a multi-sectoral approach	3	3	2	3
	Government and community partnerships enhanced to promote utilization of health services	2	2	2	2
By 2012, access to quality education for all, with gender equality and special focus on the hard-to-reach population, improved	Improved quality of education delivered by relevant stakeholders	2	3	3	1
	National capacity to revise and implement educational curricula enhanced	2	3	2	2

UNDAF Outcome	CT Outcome	Overall Midterm Progress	Relevance	Clarity	Sustainability
	School enrolment, particularly for girls, increased through improved facilities, school feeding and targeted advocacy	3	3	3	2
	National capacity strengthened to address the emerging challenges faced by young people	2	3	2	1
By 2012, institutional capacity and people's participation strengthened to ensure good governance	Transparency, efficiency, effectiveness, participation and accountability strengthened at all levels	2	3	2	2
	Strengthened national capacity and systems to formulate, review and implement national legislation in line with ratified international conventions	3	3	2	2
	Capacity of key institutions to support parliamentary democracy strengthened	3	2	2	2
	Local governance systems and capacity strengthened, with increased participation of women	2	2	3	2
By 2012, national capacity for environmental sustainability and disaster management strengthened	National capacity to address current environmental challenges and mainstream environmental concerns into policies, plans and programmes enhanced	3	3	2	2
	National capacity for disaster risk management strengthened	3	3	2	2
	Access to sustainable energy and livelihoods for remote geogs improved	1	3	1	2
	Conservation of biodiversity and ecosystems enhanced	2	3	2	2

Legend and brief explanation:

1	Represents outcomes on which further improvements are necessary
2	Stands for satisfactory progress
	Stands for good progress

Relevance	How important the UNDAF cooperation strategy, and the objective it stands for, is in Bhutan's current situation. Applicability to national development issues, policies and priorities, including GNH, and/or to internationally recognized goals, commitments and obligations;
Clarity	How well the UNDAF presents the case for the UNCT to pursue this objective together; how well the strategies, actions and inter-linkages are defined, and how strongly they are linked to measurable indicators;
Sustainability	How well the UNDAF cooperation strategy meets Bhutan's needs of the present, particularly for the most vulnerable, as well as transcends constraints/limitations to meet the needs of the future; the potential for long-term maintenance of progress.

Annex II

Planned Resources, Actual Expenditure and Delivery Percentage

2008							
UNDAF Outcomes	Regular Resources		Other Resources Mobilised		Total		
	Planned	Actual Expenditure	Planned	Actual Expenditure	Total Planned	Total Expenditure	Delivery %
Poverty Reduction	\$ 1,721,250	\$ 868,672	\$ 800,000	\$ 885,034	\$ 2,521,250	\$ 1,753,706	70 %
Health	\$ 1,070,350	\$ 712,326	\$ 691,000	\$ 436,193	\$ 1,761,350	\$ 1,148,519	65 %
Education	\$ 2,735,680	\$ 684,539	\$ 1,675,000	\$ 1,424,991	\$ 4,410,680	\$ 2,109,530	48 %
Governance	\$ 1,192,650	\$ 487,397	\$ 1,244,053	\$ 666,454	\$ 2,436,703	\$ 1,153,851	47 %
Environment	\$ 314,000	\$ 330,597	\$ 2,238,000	\$ 864,541	\$ 2,552,000	\$ 1,195,139	47 %
Total	\$ 7,033,930	\$ 3,083,531	\$ 6,648,053	\$ 4,277,213	\$ 13,681,983	\$ 7,360,745	54 %

2009							
UNDAF Outcomes	Regular Resources		Other Resources Mobilised		Total		
	Planned	Actual Expenditure	Planned	Actual Expenditure	Total Planned	Total Expenditure	Delivery %
Poverty Reduction	\$ 1,675,122	\$ 1,271,933	\$ 800,000	\$ 972,158	\$ 2,475,123	\$ 2,244,091	91 %
Health	\$ 864,360	\$ 813,842	\$ 698,066	\$ 644,137	\$ 1,562,426	\$ 1,457,979	93 %
Education	\$ 2,656,522	\$ 762,300	\$ 1,675,000	\$ 2,337,488	\$ 4,331,522	\$ 3,099,788	72 %
Governance	\$ 1,213,261	\$ 1,031,281	\$ 1,130,000	\$ 813,611	\$ 2,343,261	\$ 1,844,892	79 %
Environment	\$ 314,000	\$ 331,844	\$ 2,341,000	\$ 2,877,975	\$ 2,655,000	\$ 3,209,819	97 %
Total	\$ 6,723,265	\$ 4,211,200	\$ 6,644,066	\$ 7,645,370	\$ 13,367,331	\$ 11,856,569	89 %

2010 January - June							
UNDAF Outcomes	Regular Resources		Other Resources Mobilised		Total		
	Planned	Actual Expenditure	Planned	Actual Expenditure	Total Planned	Total Expenditure	Estimated Delivery %
Poverty Reduction	\$ 850,585	\$ 476,620	\$ 400,000	\$ 716,454	\$ 1,250,585	\$ 1,193,074	95 %
Health	\$ 456,114	\$ 353,328	\$ 409,777	\$ 614,602	\$ 865,891	\$ 967,929	112 %
Education	\$ 1,370,371	\$ 318,566	\$ 828,198	\$ 1,116,818	\$ 2,198,569	\$ 1,435,384	65 %
Governance	\$ 603,438	\$ 518,235	\$ 504,306	\$ 336,350	\$ 1,107,744	\$ 854,585	77 %
Environment	\$ 157,000	\$ 62,378	\$ 1,119,000	\$ 758,018	\$ 1,276,000	\$ 820,396	64 %
Total	\$ 3,437,509	\$ 1,729,127	\$ 3,261,280	\$ 3,542,242	\$ 6,698,789	\$ 5,271,369	79 %