

2010 RC ANNUAL REPORT

Letter from the UN Bhutan Country Team

Brief description of major development or political events that have had an effect on the work of the UNCT:

In 2010, Bhutan engaged itself in preparatory activities for the first ever local government elections after adoption of parliamentary democracy in 2008. These preparations included capacity building for the Electoral Commission, technical readiness and the conduct of a Functional Literacy and Possession of Adequate Skills Test for all potential contestants. Owing to delays in reaching agreement on the categorization of district towns, the local government elections will start only in early 2011.

The Royal Government of Bhutan (RGoB) launched the Economic Development Policy (EDP) 2010 in March. The EDP is complemented by the revised Foreign Direct Investment Policy and Fiscal Incentives that were launched subsequently. The EDP 2010 primarily aims at creating an enabling environment for investment within the framework of the country's vision for Gross National Happiness (GNH), and sets priorities for the potential growth sectors of the Bhutanese economy in an effort to diversify the economic base. In April 2010, Bhutan hosted the SAARC Summit in Thimphu for the first time as its new chairman and successfully had climate change adopted as the theme. Member countries signed the Thimphu Statement on Climate Change that requires a number of inter-governmental actions to address the challenges of global warming.

Bhutan is mid-way in its implementation of the 10th Five Year Plan (FYP), which is supported by the UNDAF/cCPAP, and began its Mid-term Review (MTR) of the Plan in November 2010. Sectoral reviews have been completed and the government aims to complete the MTR of its 20 districts by mid-March 2011. The findings of the RGoB MTR will not only provide information on where Bhutan stands in its implementation of the 10th FYP but will also help the UNCT in Bhutan to focus its interventions in areas and districts that need most attention.

Following the October 26, 2010 fire that burned down a significant part of Chamkhar town in Central Bhutan, the Crisis Management Team (CMT) activated the UN Coordination Task Force and UN task teams for Shelter, Health, and Nutrition and WASH to support coordinated UN assistance to the RGoB towards early relief and recovery. The UN provided dignity kits, food supplies, and materials for construction of toilets to meet the immediate basic food and health needs of the victims. School bags, clothes, and cash donations to purchase school uniforms for affected school children were provided to His Majesty's Welfare Fund. A cash support of US\$ 82,000 was provided towards purchase of CGI sheets for temporary shelter as well as to be used in reconstruction of houses. The UNCT also liaised with IFRC to facilitate their support to the disaster. Resources could unfortunately not be mobilized from OCHA due to competing emergencies.

¹Highlights on progress in UN reform:

- (i) efforts to align with the national development processes:

Bhutan has adopted Delivering as One (DaO) as a "self-starter" country for the current UNDAF cycle (2008-2013). The UNDAF is implemented through a common Country Programme Action Plan and monitored through five joint Government (RGoB) – UN Theme Groups (TGs) and a Gender Task Force. The existing

¹ The 2010 UNCT workplan underwent revisions during the course of the year owing to the need to make allocations as and when coordination funds are received and also to re-allocate resources to priority activities. Therefore, the 2010 workplan submitted along with this document is not the same as the original workplan submitted in the beginning of the year.

alignment of the UNDAF/cCPAP with the 10th Plan was further reinforced through capacity-building support in the use of BhutanInfo (DevInfo) at the district level, specifically training of government trainers as well as training of district sectoral staff on how to use and update the BhutanInfo database. This resulted in increased capacity of the RGoB and UN staff to monitor progress made towards achieving the MDGs.

- (ii) support to the national government in advancing the achievement of the Millennium Declaration/MDGs:

The UNDAF and cCPAP aim to support the Government in achieving the MDGs that are aligned with the country's development philosophy of Gross National Happiness (GNH) and integrated in the Government's 10th Five Year Plan. In anticipation of the Millennium Summit in September 2010 and in addition to programme support through the Theme Groups and Annual Work Plans, UN Bhutan organized advocacy activities to raise the level of discussion on the MDGs in Bhutan. This included a successful series of panel discussions on national television on the 8 MDGs with panelists from the Royal Government, Parliament and civil society.

The UNCT, including the WB and IFC, also developed and shared a non-paper with the RGoB titled "Towards Bhutan's Vision 2020: Challenges of a performing LDC", for use by the Prime Minister during his visit to donor countries in Europe in October, 2010. This non-paper was also used by the UNCT for developing other important documents, including drafting the revised Joint Resource Mobilization Strategy and will be a useful input to preparations for the 11th Round Table Meeting in 2011.

- (iii) progress UNCTs are making collectively in support of the national partners' endeavours towards capacity development and aid effectiveness:

Capacity development and aid effectiveness remained central to the UNCT's work as illustrated also in other sections of this report. The UNDAF/cCPAP M&E framework was revised in July jointly with Implementing Partners under each Theme Group, and was further reviewed as part of the UNDAF mid-term review (MTR; see below) to vet the relevance of CT outputs and indicators. The UNCT also supported the RGoB's investment road shows in 7 neighbouring countries, advocating the Economic Development Policy and promoting Bhutan as an investment destination. With the support of the UN, Bhutan participated in the Hanoi DaO Conference in June 2010, during which experiences of Bhutan in DaO were shared by the GNH Commission and the UN Resident Coordinator in panel discussions.

- (iv) experiences of common programming, including HACT:

HACT implementation was taken to the next level with the implementation of scheduled audits, on-site (i.e. spot-check) reviews and additional micro-assessments of Implementing Partners as per the assurance plan. These brought up issues such as un-synchronized audit timeline, inadequate internal control systems, and lack of capacity in results-based management (RBM), among others. These were highlighted at the annual UNDAF Country Programme Board (CPB) meeting in December and taken into account in annual work planning for 2011. To continue efforts towards harmonization, the CPB agreed to support synchronization of government and HACT audit timelines based on jointly agreed ToR, and to build RGoB and UN capacity in HACT and RBM for increased compliance and better monitoring of programmes.

Delivering as One Implementation:

In April 2010, the UN agencies reported against the 2009 DaO allocation of US\$ 677,000. Most projects showed 100% delivery despite late receipt of the funds in December 2009. In 2010, the UN system in

Bhutan mobilized US\$ 861,000 from the Expanded DaO Funding Window for Achievement of the MDGs in support of un(der) funded activities under all five UNDAF/cCPAP outcomes. At year-end, expected delivery stood at US\$ 844,987. The resources were used to support un(der)-funded Government priorities under the UNDAF including school feeding; food security; strengthening quality health services; strengthening the national electoral management capacity and the participation of women in elections; addressing gender-based violence; strengthening disaster management capacity; private sector development; and environmental mainstreaming.

Furthering its commitment to DaO, the Bhutan UNCT signed the “Dochula Declaration”², coinciding with the United Nations Day celebration. A joint DaO emblem was developed during the year and launched at the UNDAF/cCPAP Country Programme Board meeting in December 2010.

DaO implementation in 2010 however, has been very challenging with high turnover of staff in the RCO. The only National Coordination Officer left in early 2010 and the JPO had to also leave soon after that because of emergencies at home. A full time National Officer could be recruited only at the end of August and until then, temporary arrangements were made to hire people on SSA.

Cluster/ Sector Approach for Bhutan:

In June 2010, the UN system organized an exercise on lessons learnt on disaster response and recovery from past disasters in Bhutan, particularly the 2009 September earthquake and Cyclone Aila floods. As a follow up to the exercise, the UN supported the development of the RGoB and UN Joint Needs Assessment Tool to identify and assess immediate response needs quickly and efficiently in the aftermath of a disaster. The Tool integrates tangible and intangible cultural heritage, which is a central dimension of Bhutanese social identity. In 2011, the UN will support training of trainers to make the assessment tool operational. A High Level Stakeholders Workshop, chaired by the Home and Culture Minister, was organized in November 2010 to introduce the Cluster approach and the Assessment tool. The OCHA Regional Office in Bangkok supported the Cluster approach session.

In June 2010, the UN system in Bhutan secured US\$130,000 from the Central Fund for Influenza Action to Support RGoB for multi-sector pandemic preparedness. The Inception Workshop was organized in November 2010 with participation of representatives from Ministries, agencies, companies, international organizations and foreign missions in Bhutan. As an outcome of the workshop, the Inter-Ministerial Task Force on Multi-sector Pandemic Preparedness was established in December 2010. The project will continue in 2011 with mainstreaming multi-sectoral preparedness into the national pandemic preparedness and response mechanism and strengthening pandemic preparedness and response of essential non-health sectors.

Other highlights in coordination:

Joint Emergency Plans: The Joint Business Continuity Plan was tested in July 2010 through a functional simulation exercise assisted by OCHA. Following this, the UN Country Team decided that there was a need to reduce the number of plans and make them more operational. In addition to the Security Plan, the Business Continuity Plan was revised as the internal plan for the UN and the Inter-Agency Contingency Plan to support national relief and recovery efforts was also updated. Both Plans have taken a consistent multi-hazard approach and integrated Pandemic preparedness and response.

² Code of Conduct signed by the UNCT in Bhutan.

UN Cares: Training for the UN Cares Inter-agency Team was conducted to enhance the capacity of the team to increase HIV/AIDS awareness among staff members and their families. An orientation programme for new UN staff was also conducted to raise awareness and familiarize them with policies related to HIV/AIDS and various support services available within the UN System. The UN Cares Regional Coordinator for Asia and the Pacific facilitated both the training and the orientation with support from UNAIDS.

Gender: The UN-RGoB Gender Task Force established in 2009 has gained both momentum and importance and now functions at par with the UNDAF Theme Groups. During the summer Parliament session, UN Bhutan supported the National Commission for Women and Children (NCWC) in organizing a three-day high-level sensitization workshop on gender mainstreaming for Parliamentarians, Cabinet Members and other senior officials. CSOs and media representatives were also invited. The Workshop recognized the need for National Commission for Women and Children (NCWC) and the UN System to further collaborate in organizing similar workshops, to reinforce the capacity of national institutions and pursue identified areas of focus for gender mainstreaming. The Non-formal Education Division of the Ministry of Education was identified as one of the key institutions that could play a crucial role in mainstreaming gender concerns and establishing mechanism for increasing awareness. In addition, as part of the UNDAF MTR, a joint outcome evaluation on Gender was also conducted and the recommendations reviewed by the UNDAF CPB at its December meeting.

Human Rights: The Parliament Human Rights Committee launched its ToRs at a large stakeholder meeting in February 2010. The meeting was intended to create human rights awareness and provided a platform for relevant local authorities/agencies to learn and discuss key human rights issues in the context of Bhutan. The workshop was organized with advisory support from the UN.

Common Services & Premises: The Operations Management Team and its working groups established long term agreements for UN agencies on conference facilities and extended duration of long term agreements for other key services such as vehicle maintenance, travel and stationeries. A revised MOU on common services and premises was also signed in 2010, thereby strengthening the operational dimension of DaO.

Knowledge Management: The UNCT continued to support the Solutions Exchange Development Network. The network membership increased from 850 in 2009 to 942 members in 2010. A face-to-face knowledge-sharing event was organized in February, 2010 and the Annual Solutions Exchange Forum/Visioning Workshop was conducted in August, 2010 to enable the SE community to discuss key development issues and strategies to address them.

Development of joint programmes: With the UNDAF MTR having taken precedence, no new joint programmes were developed during the course of the year. However, the UNCT at its annual retreat in December 2010 identified gender as an area of joint programming for 2011 with other areas identified for joint strategy development possibly leading to joint programming such as youth unemployment, climate change, inclusive database, HIV/AIDS and disaster management.

Joint advocacy messages: The inter-agency UN Communications Group developed a common presentation on UNDAF implementation for visiting missions that highlighted the Delivering as One approach of the UN system in Bhutan. In the lead up to the MDG Summit in September 2010, the UNDAF TGs, led by the Poverty TG initiated a number of activities with the media on MDG advocacy including a series of panel discussions on the national news channel and special human interest stories for the national newspaper.

Observation of international day events: UN declared international day events including the UN Day were observed in collaboration with relevant agencies of the RGoB. These events provided the opportunity for the UNCT to convey key common messages and raise awareness on various thematic issues, including

gender, population, disaster risk reduction, food security, poverty, violence against women and HIV/AIDS, among others.

UN Communication / communication training: A thematic newsletter on Democratic Governance was produced to advocate key messages in democratic governance and to share information more widely. UNCT bi-monthly newsletters focusing on joint activities and DaO continued to be produced and disseminated as a means to sharing information among UN agencies.

With continued effort of the UNCT to strengthen joint communication capacity to support the “One voice” principle of DaO, the Inter-agency UN Communications Group participated in communication trainings organized in-country by WHO and UNICEF. Members of the team also participated in a regional communication training organized by UNFPA in Bangkok.

Highlights on progress towards UNDAF outcomes (drawing from your UNDAF Annual Review), in support to the national development priorities.

With the UNDAF cycle at its mid-point in 2010 and as per the decision of the 2009 Country Programme Board meeting, Outcome Evaluations were undertaken in three areas – Poverty Reduction, Decentralization and Gender. These were complemented by self-assessments undertaken by the RGoB-UN Theme Groups. Together, these constituted the UNDAF Mid-Term Review which kicked-off in July/August 2010. The UNDAF MTR was conducted not only to help inform the next UNDAF/cCPAP but also to take necessary immediate actions to better achieve the current UNDAF outcomes and for enhanced coherence with the national Five-year Plan.

The UNDAF CPB meeting in December reviewed and endorsed all the MTR recommendations and made additional recommendations on emerging priorities pertaining for example to the health of children under three or gender and governance. In order to fully align the UNDAF/cCPAP cycle with that of the Five-year Plan cycle of the government, the meeting proposed the extension of the current UNDAF/cCPAP by one year until the end of 2013 (*now formally endorsed by the RGoB and the UNDG AP*).

The number of joint Annual Workplans (AWPs) in 2010 increased to 12 from 11 in 2009, thereby reducing transactional as well as administrative burdens. Unlike in the past, the 3rd Country Programme Board met at the end of the year in December with the effort to better align with the annual UNDAF work planning process and ensure that guidance from the Country Programme Board was available before AWP for the following year were fully developed. Capacity of Theme Groups was also enhanced through a teambuilding exercise using the Belbin tool as part of the UNCT’s commitment to strengthen and empower Theme Groups and improve working relations within and across teams.

The key aspects of the proposed 2011 work plan and linkages to ongoing issues of concern within the country:

The UNCT retreat in December enabled the planning of activities for 2011. In support of national priorities and MDGs, the UNCT will provide support to Bhutan for MDG localization and acceleration. Building on the joint non-paper shared with the RGoB in 2010, support will also be provided to the RGoB to present a picture of Bhutan’s development challenges below the national level, which will feed into the preparations for the Round Table Meeting scheduled in August, 2011. The UNCT will continue to support the Government in preparing for the Fourth LDC Conference in 2011, as needed, and in advocating the LDC

realities of Bhutan. The UNCT also decided to continue organizing donor coordination meetings among resident development partner agencies to use them as platforms for meaningful dialogue.

In view of the approved extension of the current UNDAF by another year until 2013 and building on the UNDAF MTR, a gender audit and a capacity development evaluation will be conducted in 2011, and UNDAF concerns will be integrated in RGoB Health and Education sectoral reviews as contributions towards the UNDAF end of cycle requirements.

To meet specific capacity requirements of existing and new Implementing Partners, customized HACT trainings will be conducted preferably in conjunction with RBM training, and HACT sessions will continue to form an integral part of UNDAF TGs' annual reviews.

A key element of the 2011 work plan is to roll-out the gender joint programme and develop joint strategies for better coordinated engagement in areas such as youth unemployment, climate change, inclusive development data collection and analysis, HIV/AIDS and disaster management among others. A gender specialist will be posted to the RCO by UNIFEM/ UN Women to take forward the joint programme in gender and be a resource person for capacity strengthening of UN staff in gender mainstreaming.

The coordination capacity of the UNCT is very limited with only one full-time national officer and a half-time programme assistant. With DaO high on its agenda, the UNCT is and will have to continue to draw on resources available within the UNCT such as the posting of a gender specialist by UNIFEM/UN Women, exploring possible support of UNAIDS in posting a HIV/AIDS focal point, and cost-sharing of one full-time national officer. Amidst competing demands for JPOs, the UNCT will also continue to explore possible posting of a JPO. Until such arrangements are put in place, hopefully by mid-2011, the UNCT has proposed bridging staff through detailed assignment if funding from DOCO is secured.

To enable NRAs to actively engage in UNDAF monitoring and evaluation, support will continue to be provided and further strengthened.

To raise awareness and advocate key messages and promote the DaO image, the UN System will continue to observe selected international day events. The UN Communications Group will be further strengthened to continue with its advocacy mandate with a greater focus on capturing experiences and results.

To strengthen the RGoB whole of society pandemic preparedness, a simulation exercise to test the updated pandemic preparedness plan of the government will be undertaken through support from the Central Fund for Influenza Action.

Recommendations, if any, for changes in policies, rules and regulations...

1. There is a need to consider issues arising out of agency-specific requirements that place additional burden on the implementation of the UN coherence agenda and DaO, such as requirements for agency-specific country programme mid-term reviews engaging the RGoB. This issue came up at the 3rd Country Programme Board meeting; it was suggested by the Government that agency-specific requirements be fully integrated in joint UNDAF processes.
2. There also seems to be divergent interpretations among agencies of the UNDAF end of cycle requirements, and the flexibility given to country teams under the current policy does not seem to be recognized by all. This would warrant further clarifications within the UNDG AP.

3. The UN Bhutan declared holidays' list is elaborated by the UNCT in consultation with the Staff Associations. If all specialized agencies were able to adhere to this calendar fully, this would strengthen the harmonized approach to operations under DaO.