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**ANNUAL REPORT 2007-08 UNDP BHUTAN**



# Table of Contents

2007-08 Highlights.....	1
A New Paradigm of Measuring Development .....	3
Democratic Governance .....	4
Mainstreaming the MDGs into National Planning .....	9
Environment and Sustainable Development .....	14
Mainstreaming Gender .....	19
Volunteerism for Development .....	22
Partnership Strategy.....	24
Towards Delivering as One UN.....	26
Programme Resources & Expenditure for 2007.....	29



# Foreword

The past year has seen great changes in Bhutan with the country's road map for democratization, initiated by the Fourth King in 1981, culminating in general elections and the transition to a Democratic Constitutional Monarchy.

The country's first democratic elections were conducted smoothly and effectively with voter turnout reaching 79% in the national assembly elections. The elected members reflect a broad and inclusive representation of society in terms of age, gender and other backgrounds.

2007 also marked the preparation of Bhutan's 10<sup>th</sup> Five-year Plan, considered a 'Special Plan' as it will be the first Plan to be implemented under the reign of His Majesty the Fifth King of Bhutan, Jigme Khesar Namgyel Wangchuck, and the first to be implemented under parliamentary democracy.

For the UN in Bhutan, 2007 was the start of UN's approach to "Delivering as One UN", to enhance development effectiveness of UN activities in Bhutan through improved coordination, effectiveness and efficiency. In December 2007, fourteen UN agencies including UNDP signed a common Country Programme Action Plan (2008-2012), which is closely aligned to the Government's Tenth Plan.

On the macro-economic front, Bhutan continued to make strong progress. Real growth in 2006/07 was 8.5% and per capita GDP reached US\$1,414, marking Bhutan's progression to a Middle Income Country. This trend of strong economic performance matched by improvements in social indicators and living standards is expected to continue.

UNDP Bhutan continued its collaboration with the Royal Government and other development partners to help address emerging challenges that come about as economy develops. Our support has been aimed at ensuring Bhutan's smooth transition to democracy.

Looking ahead, ensuring successful implementation of the Tenth Plan is particularly important to build people's confidence in the new system of governance. UNDP is committed to continue its support of ensuring a vibrant democracy, as envisioned by the His Majesty the Fifth King, through equitable growth benefitting all segments of the Bhutanese population.

Nicholas Rosellini



Resident Representative



# 2007-08 Highlights

Bhutan became the world's youngest democracy following the successful elections to the country's first democratically elected Parliament in March 2008. The country's transition to democratic constitutional monarchy from absolute monarchy of 100 years has been a smooth process. Major activities were undertaken in 2007 to support the change process.

The country's ambitious 10<sup>th</sup> Five Year Plan (2008-2013) was prepared in 2007. It reflects on the challenges with changing realities of the post 2008 period, in particular, the fundamental changes in the system of governance and national institutions with the establishment of a Democratic Constitutional Monarchy and forge new approaches towards achieving long term development objectives, including Bhutan's overarching goal of Gross National Happiness (GNH).

Capacity development of all relevant agencies has been crucial to ensure democratic governance and rule of law. At the same time, public information on the functioning of the democratic system and its institutions remained an important area. 2007 also saw emerging challenges that come with rapid urbanization and modernization, such as the increasing rate of unemployment, and the emerging difficulties of providing decent and productive employment for Bhutanese youth.

Equitable participation of women in tertiary and technical education and the potential threat of HIV/AIDS and gender-based violence are other issues that needed more attention. The removal of relative disparities between urban and rural areas and holistic rural development constitute a key component of the country's strategy in achieving

the full realization of the MDGs, and in particular, towards eradicating poverty.

To facilitate further progress on the MDGs and integrate these goals more effectively into the development planning and resource allocation processes, an MDG Needs Assessment and Costing exercise was completed with support from the UN agencies in Bhutan and the region. This important exercise was undertaken to help provide comprehensive and flexible financial models and policy options to consider development scenarios for achieving the MDGs and estimate critical resource needs to attain those goals. In order to measure the country's progress in terms of GNH, a nationwide survey was conducted to develop GNH indicators.

The transition to a democratic constitutional monarchy is aimed at promoting a system of governance that is responsive and accountable to the people. UNDP worked closely with the Election Commission of Bhutan to ensure people's participation in the electoral process through voter/civic education programs. The country recorded a 79% voter turn-out in the national assembly elections, up from 53% in the national council elections.

Reducing climate change induced risks have been a priority area of UNDP support in 2007. UNDP successfully advocated for and helped raise the importance of disaster management in the country.

The National Plan of Action for Gender (NPAG 2007-2013), aimed at promoting gender equality and empowerment of women, was endorsed by the



government in 2007. UNDP is working closely with the government in the implementation of three of the seven critical areas identified in the NPAG.

UNDP continued to play a lead role in donor coordination in Bhutan. As co-host to the Round Table meetings (RTM) between the Government and its development partners, UNDP supported the preparation and organization of the Tenth RTM in Thimphu in February 2008. The meeting, which took place at a critical juncture in Bhutan's development, provided an excellent opportunity for all partners to be updated on the progress and challenges in terms of achieving the Millennium Development Goals (MDGs) and the transition towards a Democratic Constitutional Monarchy.

Development partners working in the area of governance took the initiative towards greater coordination and harmonization through the development of a common framework to support

local governance. The Government has been instrumental in strengthening this harmonized approach, which also underscores the Paris Declaration on Aid Effectiveness.

With the objective of 'Delivering as One UN', a common Country Programme Action Plan 2008-2012 (cCPAP) was signed in December 2007, which reflects the activities of 14 UN agencies (resident and non-resident). The formulation of a cCPAP is aimed at improved coordination, operational efficiency and more effective programme delivery with reduced transactions costs.

The following chapters provide greater details on UNDP's support to national efforts mainly in the areas of democratic governance, poverty reduction and achieving the MDGs, energy, environment and disaster risk management including gender mainstreaming.



*Former Prime Minister of Bhutan, Lyonpo Kinzang Dorji addressing the 10th RTM for Bhutan, co-chaired by former Education Minister Lyonpo Thinley Gyamtsho and Acting Regional Director of UNDP Mr. David E. Lockwood*

# A New Paradigm of Measuring Development

Bhutan's all-encompassing development goal is the maximization and realization of Gross National Happiness (GNH). GNH provides a new perspective on development and suggests a much broader, comprehensive and balanced approach to development. It is this overarching development perspective, coupled with the existing constraints and emerging challenges, that has shaped UNDP's support to the government.

UNDP is the major development partner collaborating with the Centre for Bhutan Studies (CBS) in the area of developing the GNH Index. The GNH index will set indicators to measure the country's progress in terms of GNH; a precursor for ensuring that GNH is reflected in planning, implementation, monitoring and evaluation of national policies and programmes.

CBS has successfully completed the nationwide

survey on GNH covering the nine domains (psychological wellbeing; good governance; education; health; community vitality; time use and balance; culture; ecological diversity and resilience; and living standard) identified for the Index that were initiated in December 2007. The findings of the survey, currently under analysis, will provide the much needed data for the computation of the Index. The government will harmonize and screen existing targets based on the Index, establish a baseline and set outcome targets for the Tenth Plan and the subsequent Plans.

The Third GNH Conference was held in Nong Khai and Bangkok in Thailand in November 2007. As with the first two GNH conferences, which UNDP also supported in 2004 and 2005, the third GNH Conference was attended by worldwide experts in different fields who presented analytical papers on the various aspects of GNH.



*Youth presentation, 3rd International Conference on GNH, Nov 2007, Bangkok*

Photos: Stephan Hedrich, GPI Atlantic, Canada



# Democratic Governance

Democratic governance contributes to the achievement of the Millennium Development Goals (MDGs), as it provides the 'enabling environment' for the realization of the MDGs and, in particular, people's participation in the development process.

UNDP has supported the tremendous change in political and administrative reforms and helped establish a strong foundation for the development of a system of decentralized governance that upholds the principles of democracy. Support to the constitutional bodies - the Election Commission of Bhutan, the Anti-Corruption Commission have ensured a smooth transition to change while doing much pioneering in the field of capacity building

with regard to the media organizations and the civil society organizations.

Democratic governance constitutes one of the main thrusts of UNDP's support to the people and the Royal Government of Bhutan. Results achieved in 2007-08 include:

- Ensuring people's participation through extensive voter and civic education
- Institutionalization of the pilot Annual Block Grant to local governments
- Development of the National Anti-Corruption Strategy (NACS)
- Strengthening independent media
- Piloting e-governance

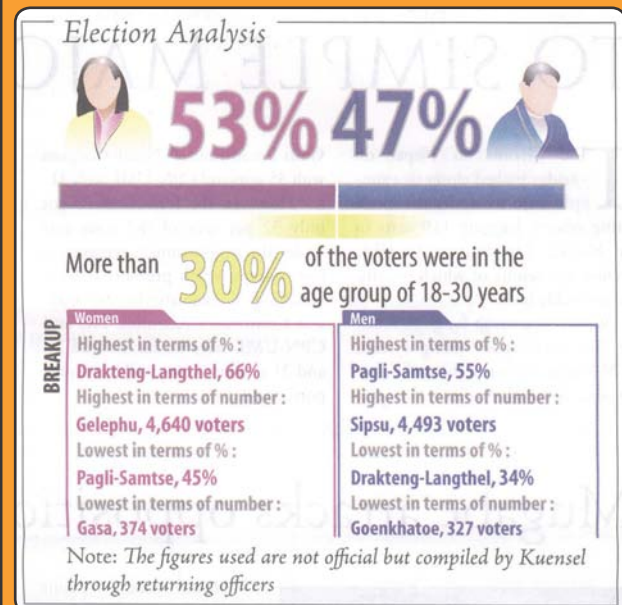
## Foundation for democratic elections established

The foundation of parliamentary democracy is free, fair and inclusive elections.

The Election Commission of Bhutan (ECB) was set up as an independent constitutional office in 2005 to organize peaceful, fair and free parliamentary and local government elections that would bring in a stable and vibrant democracy for Bhutan.

In the run up to the elections, informing, educating and training men and women on what democracy is, how it can empower people to improve their own lives, and on the electoral process have been the focus of a huge civic and voter education campaign. UNDP assisted the ECB in carrying out its responsibilities with emphasis on voter/civic education.

### Women and youth made the numbers



Source: Kuensel Corporation Ltd.

UNDP supported the voter education programme of the ECB keeping in mind the special needs of various groups. For instance around 15,000 young people turned 18 in 2008 and were eligible to vote in the elections. A “reality TV show” – Understanding Democracy was funded by UNDP and UNICEF that specially targeted this group of first time voters, to help them better understand the electoral process and make informed choices.

During the two rounds of the mock elections in 2007, UNDP staff visited the polling stations and made recommendations to the ECB on improving the process, some of which were addressed during the elections.

The Election Commission of Bhutan strengthened capacity of more than 5,000 civil servants as Presiding and Polling Officers, while about 100 were trained as Returning Officers and National Observers for the elections. 864 polling stations were set up for the National Assembly elections, most of them on existing basic service facilities such as schools, Out Reach Clinics etc.

UNDP, in partnership with the Government of Japan, supported the setting up of 175 temporary polling stations where such facilities were not available. This collaboration also contributed to the expansion of rural TV network for voter education, whereby 172 remote village blocks (Gewogs) were provided with television sets providing them access to information, particularly political developments and thus make informed choices.

As part of UNDP’s support to democratic governance, the capacities of Bhutanese journalists were strengthened through two in-country training sessions. More than 40 journalists from the print and broadcast media were trained on covering elections, campaigns and politics.

The sessions included interactive discussions with the political parties and the Election Commission of Bhutan providing the journalists with a better understanding of their role and responsibility in the election process through objective, accurate and reliable information.



*Voting equipment being transported on horsebacks to Lingshi, about five days walk from road head, March 2008.*



## Institutionalization of annual block grants

Decentralization and local governance is an integral part of the democratization processes, within the 10<sup>th</sup> FYP, with the twin purposes of empowering people and ensuring balanced, equitable and sustainable socio-economic development by the government.

The positive move towards further decentralization, through transition to a constitutional democracy, the Constitution and the Local Governments' Act of Bhutan 2007 provide enhanced power and authority to decentralized bodies and elected representatives at local level.

The support to the Decentralization Support Programme (DSP 2003-2008) supported by UNDP, United Nations Capital Development Fund (UNCDF) and Netherlands Development Organization (SNV) for piloting of block grants to the five districts that covered 32 of the 205 gewogs. It provided the government with vital lessons learned from the decentralization efforts. The ongoing project on localization of the MDGs concentrates in building the capacity of the local governments not covered under the DSP. The broader environment remains firmly conducive to the replication of the lessons

learnt from the DSP. UNDP's pioneering efforts in local governance have led to the institutionalization of the Capital Annual Grants by the government for all 205 gewogs in the country.

UNDP and UNCDF supported projects in decentralization have focused on two main areas, namely: Capacity building of local governments and block grants. Capacity development is seen as a major challenge to the decentralization process. The thrust of UNDP's collaboration has been to establish a sound basis for local governments by strengthening their role in the development process.

Development partners working in the area of decentralization and local governance have taken initiatives towards greater harmonization and coordination to support the move towards fiscal decentralization materializing in a joint Local Governance Support Programme with UNDP, UNCDF and DANIDA as core development partners. The joint programme will contribute towards improved service delivery for poverty reduction and realization of the MDGs in line with the 10<sup>th</sup> Plan.

## Development of a national Anti-Corruption Strategy

UNDP's collaboration with the Anti Corruption Commission (ACC) facilitated the newly formed constitutional body in fully discharging its mandate to prepare national strategies and programmes to curb and root out corruption.

An important component of the collaboration was the finalization of the ACC Act and the National Strategy Paper. The strategy provides a comprehensive anti-corruption plan targeting prevention, education and advocacy and prosecution procedures through a coherent approach. The Act provides the legislative

authority to the ACC to effectively carry out its functions to curb corruption at all levels.

UNDP supported the ACC to bring together stakeholders necessary to bring about a holistic approach in developing the National Anti-Corruption Strategy. The strategy will be implemented in the subsequent ongoing collaboration. Awareness on political corruption through edutainment programmes such as street theatres were supported, to reach out to remote communities.

UNDP's Asia Pacific Human Development Report 2008 on "Tackling corruption, Transforming Lives," was launched by Bhutan's Prime Minister, Lyonchhen Jigmi Y Thinley in the capital Thimphu, on June 12, 2008, simultaneously with its official launch in Indonesia.

Bhutan's Prime Minister acknowledged the government's priority to fight corruption and pledged commitment to wipe it out from the Bhutanese society. Lyonchhen Jigmi Y Thinley in his keynote address said that "transforming leaders into being honest will help transform the lives of the people in the region".

The event had a wide representation of senior government officials, parliamentarians, and representatives from the private sector, media, the

NGOs, youth and the international community. The increased awareness on corruption – both economic and political corruption was evident in the open forum session, organized as part of the launch. The discussion on "the role of Parliament in the fight against corruption" raised key issues such as the need for value education, effects of globalization and corruption, role of the judiciary, and specially the youth in their role against corruption.

According to the recent report of the Transparency International, Bhutan's position on corruption index has slipped to 46 in 2007 down from 32 in 2006. This indicates that there is more awareness on corruption and bribery among the people and that they are more open to talk and report on the subject.

#### **Transparency, the key to tackle corruption**

The greatest thing about democracy is not only about having the power to elect politicians to govern, but the power and the rights of the people to hold the government accountable and to change it if it is not accountable, said the Prime Minister, Lyonchhen Jigmi Y Thinley.

The prime minister was speaking to senior government officials, parliamentarians, private sector, media, NGOs, youth and the international community at the launch of a report, Tackling Corruption, Transforming Lives, which examines human development dimensions of corruption in Asia Pacific region, on June 12 in Thimphu.

"Transforming leaders into being honest would help transform the lives of the people in the Asia Pacific region," said the prime minister, adding that the release of the report and its findings would help find ways and means to transform lives of the people, particularly the poor, who are hit the hardest by corruption.

The resident representative of UNDP, Mr Nicholas Rosellini, commended the government on its 'zero tolerance' policy taken on corruption and reiterated the continued support of UNDP, adding that, in many countries, an anti-corruption initiative is a non-starter due to lack of political will and weak leadership.

Lyonchhen Jigmi Y Thinley explained that parliamentarians would be guided by a clear code of conduct and morals and the ethics committee would be responsible to review and look into the background and credentials of parliamentarians. Should there be any discrepancies, measures will be taken to remove them from their positions, he added. The new government will also hold direct meetings with the media to discuss ways and means in terms of how the government can be more transparent.

The Chairperson of the anti corruption commission (ACC), Aum Neten Zangmo said that Bhutan's performance was one of the best in the Asia Pacific region. "Bhutan can be declared an environmentally corruption-free country with all the structures in place for this," she said, adding that it was the responsibility of every Bhutanese to ensure the achievement of this political will and make Bhutan a corruption-free society. Five percent of global gross domestic product is lost in corruption, which amounts to US \$ 2.5 trillion.

Source: Kuensel Issue, 14 June, 2008



## Independent media strengthened

Media development has been added as an essential pillar of UNDP's current strategic approach to democratic governance in Bhutan. The objective is to support long-term good governance by ensuring a strengthened independent and pluralistic media as Bhutan embraces democracy.

UNDP's collaboration aimed to provide an enabling communications channel to promote government transparency and accountability

through independent journalism, from the start of the democratic process in Bhutan. More accurate and professional media reporting was to enable more informed decision making by the public, including the poor and women. For the first time, about forty journalists were trained in-country on how to enhance their professional standards (print/broadcast media) to provide credible, reliable and impartial news coverage.

## Piloting e-governance

Localization of e-governance has been supported by UNDP through its One Stop Shop (OSS) pilot schemes at local level. The model aims at improving delivery of public services. The objective by the government is to utilize the OSS, to bring public

services closer to the communities, and reduce transaction costs. The government has identified the ten most commonly used public services and will in subsequent years, implement the provision of such services through the OSS.

### How to report elections

Twenty-five print, TV and broadcast journalists were cautioned not to take sides and always strive for unbiased and well-balanced stories and to be aware of the likelihood of political parties using media as their propaganda mouthpiece in a five-day training on election reporting, which was held in Thimphu from November 5-9.

Conducted by two senior journalists from Germany, Elke Pickartz and Peter Prufert, Bhutanese journalists were taught how to organise coverage of political activities, balance arguments, construct interview questionnaires and analyse speeches and party manifestos.

"Media at this juncture in Bhutan has an incredibly important and difficult role," said Mr Peter Prufert. "Since all are new to the system, it will have to explain, inform and convince the voters of ongoing political changes."

Elke Pickartz said media personnel must avoid using their own opinions in the stories and always cross-check and confirm with sources. "Individual journalists must weigh their obligations against any involvement with the parties."

"As long as media mention arguments from all sides and provide balanced stories for people to make an intelligent choice, it is normal to be blamed regularly by the political parties," said the resource persons.

"I can now prioritize the issues and do more justice to my profession," said Karma Tenzin from Bhutan Times, who covers political stories.

The training programme was sponsored by United Nations Development Program (UNDP) and organized by Kuensel Corporation Limited.

UNDP's Resident Representative Nicholas Rosellini said "I hope you have understood the importance of media's attitude to democracy and you would use that influential power in a responsible manner."

Source: Kuensel Issue, 12 Nov, 2007

# Mainstreaming the MDGs into National Planning

UNDP facilitates the integration of MDGs into national development plans and strategies; encourages local initiatives and enterprise developments that enhance rural incomes; facilitates research, studies and surveys to inform national development plans and policies, and provide linkages between national level policies and locally implemented initiatives.

In 2007, UNDP continued its assistance to the Royal Government of Bhutan in the formulation of a MDG based Tenth Five Year Plan (2008-2013) that has identified poverty reduction as one of the critical strategies for achieving its goals of Excellence and Gross National Happiness (GNH). UNDP with the Netherlands Development Organization (SNV) continued to support rural development under the Rural Enterprise Development Programme (REDP). UNDP successfully collaborated with the other UN agencies in the country in supporting the government to conduct the 2007 Bhutan Living Standard Survey and the preparation of the Poverty Analysis Report 2007. These provide a new

baseline upon which further poverty monitoring could be developed.

In a new area, UNDP together with the government implemented an initiative aimed at promoting creative cultural industries as a major contributor to rural development and localized poverty reduction, and as an important tool for socio-economic and cultural revitalization of local communities in Bhutan.

Results achieved in 2007-08 in the area of poverty reduction and the MDGs include:

- Support to the preparation of the MDG based Tenth Five Year Plan
- Elaboration of Development Reports to Inform Policies and Development Plans
- Establishment of rural micro enterprises and promotion of creative culture based industries and its potential for poverty alleviation

## MDG based Tenth Five Year Plan

UNDP played a key role in coordinating a joint UN support in the preparation of a pro-poor and MDG based Tenth Five Year Plan (2008-2013). The MDG Needs Assessment (NA) and Costing exercise conducted in 2006, leading towards the finalization of the Bhutan MDG NA and Costing Report (2006-2015), identifies sectoral interventions and the total costs (human, institutional, financial) required to achieve the MDGs in Bhutan by 2015 under 4 broad thematic clusters: Poverty Reduction and Rural Development; Health; Education and Crosscutting

(governance, gender, environment and capacity development (sectors)).

The Report estimates that Bhutan will need to increase public investment by about USD2.5 billion between 2006-2015 if it is to implement prioritized activities identified under the broad thematic clusters for achieving the MDGs and the Tenth Five Year Plan. The social sector (health and education) targets account for a major portion of the investment at 46.3% of the total estimated



outlay of the needs assessment followed by 16.6% for agriculture and rural development.

Another important area of UNDP assistance to the preparation of the Tenth Plan is in the development of an MDG consistent Simple Macroeconomic Framework (SMF). Work on this framework began in October 2007, with technical assistance from the UNDP Regional Centre in Colombo (RCC). The SMF model development which is at an advanced stage of completion has already been used to forecast the macroeconomic and fiscal implications of the new investments in the Tenth Plan and the investments

estimated in the MDG Needs Assessment and Costing Report.

In order to obtain a higher-level outcome from the model, a workshop was organized in June 2008 to further enhance national capacity in the use of the model. The workshop also discussed the draft Financing Strategy Report prepared with support from the Regional Center in Colombo. The Strategy will look into quantifying the fiscal space needed to finance the MDGs and identify necessary fiscal reforms required to finance the MDGs and the Tenth Plan in a sustainable manner.

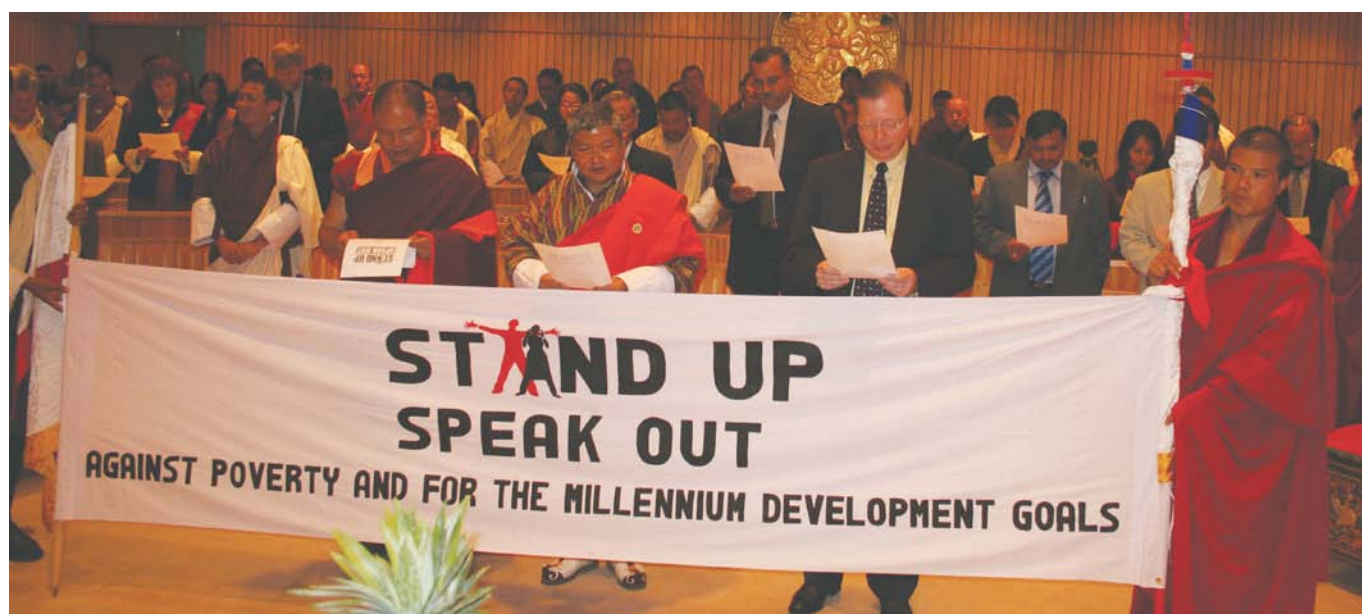
## Tracking development results

UNDP support has initiated the integration of the Planning and Monitoring System (PLaMS) with the Multi-Year Rolling Budget (MYRB) System set up by the Ministry of Finance.

PLaMS is a key component of the National Monitoring and Evaluation System (NMES) that has been developed by the Gross National Happiness Commission. Once completed, the modified database and web-based integration of planning, budgeting and monitoring will ensure the optimal

use of resources, prevent replication of data, and streamline reporting and feedback procedures and have one interface for its users.

The web-based centralized data collection and management system will enable real time online data entry, storage, analysis and various planning and monitoring report generation on development plans and programmes while the MYRB will allow multi-year rolling and annual budgeting process.



*Former Prime Minister of Bhutan Lyonpo Kinzang Dorji and UN Resident Coordinator Mr. Nicholas Rosellini lead the stand up pledge against poverty in Thimphu, 17 October 2007*

## Elaboration of development reports to inform policies and development plans

To address the crucial issue of poverty related data collection and analysis in the country, UNDP continued to support the government in the conduct of poverty related studies for information policies and development plans.

UNDP in collaboration with the other UN agencies in the country supported the National Statistics Bureau in conducting the 2007 Bhutan Living Standard Survey (BLSS) and in the preparation of the Poverty Analysis Report (PAR) 2007. The PAR 2007 provides a more comprehensive picture of poverty in Bhutan down to the district levels through an analysis of consumption of expenditure data and other poverty related indicators. It establishes a new national poverty line at Nu. 1096.94 a person/month (approx. USD 27.50) with an estimated food requirement at Nu. 688.96 and non-food requirement at Nu. 407.98 revealing that 23.2% of the country's total population lives below the national poverty line, a drop from 31.7% in 2004. Poverty in Bhutan continues to be a rural phenomenon with 30.9 % of the population falling below the poverty line compared to 1.7% in the urban areas with Zhemgang, Samtse, Mongar,

Lhuentse and Samdrup Jongkhar projecting higher rates of poverty.

UNDP supported the conduct of the Rapid Impact Assessment of Rural Development (RIARD) by the Gross National Happiness Commission in 2007 to assess the impact of past development interventions, policies and strategies. The exercise assessed the effectiveness of the planning process on poverty alleviation. The Report, revealing the positive impact of development planning and services to date on rural livelihoods, nonetheless highlighted the need for more targeted and specialized interventions and the provision of a comprehensive package of development services as indispensable for reducing poverty, particularly poor living in the remote pockets of rural Bhutan.

The key findings of the three reports have been used to set the poverty reduction target of the Tenth Plan at 15%, and are also to be used to inform the targeted poverty reduction approach that has been adopted by the government for the Tenth Plan.

## Enhancing rural livelihoods through small & medium sized enterprise development

Although nearly 70% of the Bhutanese people are engaged in agricultural and non-agricultural production, these activities have not been able to enhance the living standards of the people, largely stemming from the limited access to business and marketing information, low levels of skills and knowledge, and the absence of an effective enabling environment and institutional support. Thus the collaborative support of the

UNDP and SNV to the Ministry of Agriculture (MoA) and the Ministry of Economic Affairs (MoEA) for the implementation of the REDP provided an innovative opportunity for enhancing livelihoods of the rural population through increased income, sustainable use of natural resources and creation of employment in rural areas. It also facilitated the emergence of rural Bhutanese as competitors in the globalized markets by taking advantage of niche products.



## Lemongrass oil production: Scaling new heights

Tshering Wangchuck, a manager at the co-operative group in Sherchu in Mongar, had no work until he joined the lemongrass oil production in 2007. Now, this job “has helped not only me and my family, but helped increase the living standard of people in the village,” he says, noting that most villagers with no or little land depend on lemongrass for their income.

Members in a lemongrass cooperative are finding they can work out their plans efficiently as part of a group. And to make it easier, villagers just have to drop the lemongrass oil to the cooperative unit, which then markets the oil to other companies in the country.



*Lemon Grass distiller in Serichu, Mongar*

“Locating certain collection points has added to our advantages,” said one villager involved in lemongrass oil production. “Now we don’t have to move around looking for customers – our sole duty is to produce the oil.” Lemongrass distillers provided by MoEA on loan have proven especially helpful, said Dasho Lhunten Tshering, head of the cooperative, “because the villagers had no budget of their own to buy the distillers, and without the villagers, there wouldn’t have been any oil production.”

Every year, at least six tonnes of lemongrass oil are sold. “With the improved market in the country, there is a great scope in international market as well,” according to Dasho Lhunten Tshering.

## Ensuring equitable and inclusive growth through culture based creative industries

Culture industries is an emerging idea in development which are income-generating initiatives based on cultural skills, knowledge and resources such as handicrafts, textiles, music, and dance, oral traditions, design, fashion, among others. Cultural resources are the most equitable of resources within a community and hence the promotion of culture based creative industries has enormous potential for poverty reduction.

Prompted by Bhutan’s leading role in cultural cooperation for the regional Bay of Bengal Initiative for Multi-sectoral Technical and

Economic Cooperation (BIMSTEC) in 2006, UNDP in a joint initiative with UNESCO and UNIDO collaborated with the government to embark on a 2-year initiative aimed at reducing poverty and revitalizing communities through the use of traditional and indigenous cultural know-how for income generating activities in 2007. The project supported the development of a framework for mapping cultural industries in the country and initiated new partnerships with the Handicrafts Association of Bhutan, the Singapore International Foundation and Druk Air, the national airline, as strategies towards developing the information

resource base on cultural industries, and the capacity development of groups and organizations engaged in the production and preservation of various crafts.

The project also involves direct technical and financial support to existing and emerging cultural industries including concrete assistance to cultural entrepreneurs in the design, production, certification and marketing of cultural products.

Under the initiative, UNDP supported a series of events and competitions organized in collaboration with the Textile Museum and the National Institute

for Zorig Chusum, and other stakeholders involved in the cultural industry to provide forums for rural artisans to showcase their crafts and skills such as the 2007 Annual Crafts Festival. Rural artisans were also provided opportunities for improving their skills through a series of trainings and workshops such as the Training on Costing of Handicrafts where the artisans were also made aware of issues of well being and life-skills (on personal and communal hygiene and physical exercises) facilitated with technical support from UNICEF and funded under the Rural Enterprise Development Programme.

### **Poverty alleviation through creativity**

Observing the international day for the eradication of poverty on October 17 in Thimphu, Bhutan looked at the possibility of incorporating the concept of cultural industries into government policy to address poverty.

The concept refers to a wide range of small income-generating creative industries like handicrafts, textiles, music and dance, oral traditions, design, fashion to advertising, television, films and radio, which aims to eradicate poverty through generation of employment.

Poverty in Bhutan Dr Richard A Engelhardt, regional advisor for culture in Asia and Pacific, UNESCO, observed was not about land, space, houses or other intangible things like health care and education nor was it about food. "It is more about rural areas not having cash to buy the basic necessities," he said.

Cultural industries or culture-based creative industry, Dr Engelhardt said, was an ideal concept to address the issue of not having cash income for the rural folks in the country. "Cultural industries are something that employs people, some are more creative and highly skilled while others are in the support level. It's a business, an industry," he said.

According to Ms Perille Askerud, international consultant, UNESCO, all that was required was for the government to recognise an activity or practice already existing within a rural community and giving impetus to help them start a cultural industry.

"One of the advantages with cultural industries is its being small business units," said Ms Askerud.

One did not require any specialised training because cultural skills already existed within the community.

The country had a human resource, which could be turned more productive through such initiatives, Ms Askerud said. "The only skill, people in the rural areas lack, is how to turn their activities into businesses and make money out of a skill," she said.

But since cultural industries are not recognised as industries, they are unfairly disadvantaged against the other industries in terms of tax breaks and special laws to import materials.

For these reasons, Dr. Engelhardt said that traditional cultural industries got fewer in the country while new industries had a hard time starting up.

Ms. Askerud added that throughout the world, typically cultural industries were small units and the kind of support that the government would have to render was significantly as important as any big industry.

"That is why we need to engage different kinds of policies and relevant government organisations," she said.

"If Bhutan does not participate in cultural industries now, it'll slip farther behind on the scale of world development."

Source: Kuensel Issue, 22 Oct, 2007



# Environment and Sustainable Development

With an exemplary record of environmental conservation that enables the country to presently boast of over 64 percent forest cover, balancing environment conservation and development is at the heart of Bhutan's socio-economic development plans and policies.

In addition, it is increasingly important for the country to mainstream environment into all development initiatives; to mitigate the threats posed by natural disasters such as Glacial Lake Flood Outbursts (GLOF) and earthquakes; and to develop innovative mechanisms to deal with solid waste problems.

Recognizing these national needs and priorities, key results of UNDP in 2007-08 were:

- Mainstreaming poverty-environment into national development policies, plans and programmes
- Enhancing community access to natural resources and its management
- Supporting provision of renewable energy for rural communities
- Reducing vulnerabilities to natural disasters including climate induced risks

## Poverty-Environment mainstreaming

There is growing recognition that sustainable management of environmental resources is inextricably linked to poverty reduction. The impacts of environmental degradation brought about by intrusive development practices and climate change are more severely felt by the poor who disproportionately rely on natural resources for their survival and well-being.

A joint UNDP-UNEP collaborative initiative has been formulated to help address the challenge of mainstreaming poverty-environment into national development plans and programmes in 2007.

As a new approach to development planning, a number of awareness and advocacy activities were supported, e.g. participation in a regional environment mainstreaming workshop by key

government officials and conducting a series of national environment mainstreaming workshops. One of the key events of the year was the regional poverty environment mainstreaming workshop held in Thimphu in April 2008. The initiative supported the formulation of a draft guideline on mainstreaming poverty-environment with the involvement of a wide group of stakeholders.

The joint initiative is being up-scaled into a Poverty-Environment programme that will work towards building long-term capacity of government agencies to integrate environmental concerns into the development plans, poverty reduction strategies and their implementations and to improve long-term ability of natural and environment resources to support livelihood and reduce poverty by piloting interventions.

# Public-Private Partnership towards effective waste management

Responding to the emerging challenge of solid waste management particularly in the urban centres, UNDP and UNEP helped in developing a draft Waste-Management Bill. Nation-wide stakeholder consultation on the draft bill has been completed. The draft bill identifies various strategies to deal with the problem of solid waste management; introducing waste management service fees; fixing responsibility for waste management to various national and local institutions; use of Public-Private Partnership (PPP) to deliver waste management services; and financing and other incentives required.

In the area of PPP, a joint UNDP-UNESCAP initiative

is being piloted to help design and field test a PPP curriculum for local service delivery with a pro-poor dimension. The Royal Institute of Management will help build the capacity of local functionaries particularly in the context of decentralized governance to deliver pro-poor services.

UNDP developed a Public-Private Partnership for Integrated Solid Waste Management (PPP-ISWM) project that will pilot the PPP model in the delivery of equitable and efficient waste services in a low income residential area of Thimphu Municipality. Lessons from this pilot will feed into the development of the PPP training curricula and vice-versa.

## Revisiting biodiversity conservation

Bhutan is part of the eastern Himalayas, which is considered to be one of the 10 global hotspots for biodiversity conservation. While biodiversity conservation is an important goal, this has to be matched to the needs and realities of the country's rural communities that make up 69 percent of the population subsisting mainly on an integrated system of crop farming, livestock rearing and use of a wide array of forest-based goods and services.

A joint initiative between UNDP & the Global Environment Facility (GEF) together with the World Wildlife Fund (WWF) supported the government in ensuring local communities access to and utilization of these resources, by working with relevant agencies to develop policies and procedures and support field level interventions that integrate biodiversity conservation and livelihoods enhancement.

A biological corridor management framework has been developed and consultations on the framework with local communities and at the

national level have been completed. The framework will help the Ministry of Agriculture devise various governance options including the participation of rural communities in over 9 percent of the forest area declared as biological corridors. To address the ubiquitous problem of human-wildlife conflicts, UNDP supported the development of a National Strategy to address Human-Wildlife Conflicts. This strategy will help alleviate the conservation costs that are currently borne disproportionately by the rural communities (through crop losses, livestock depredation, time lost due to crop guarding and limited access to natural resources).

All of these changing needs and challenges have been taken into consideration in the drafting of the country's Biodiversity Action Plan (BAP) III. The BAP III is a revision of the previous action plan and incorporates changing situations and needs for biodiversity conservation in the country.

In efforts to address declining soil fertility and land degradation, UNDP-GEF and Small



Grants Programme supported the National Soil Service Centre to mainstream sustainable land

management into the plans and programmes of the Ministry of Agriculture.

## Improving people's livelihoods through management of environmental resources

35 households in the three remote villages of Norbuling, Tashi Phug and Pemaling under Gelephu Drungkhag have now started producing bamboo handicrafts and earning income.

This has been made possible through a UNDP/Small Grants Programme funded project titled 'Sustaining the Traditional Art of Bamboo Handicrafts' to conserve the local natural resource as well as revive and develop the age old traditional bamboo handcraft in enhancing income generation thereby eradicating poverty. The 240 beneficiaries have created a cane and bamboo nursery for future sustainability of cane and bamboo resources.

Similarly, residents of three villages in Silambi gewog in Mongar have established a community plantation of cane and bamboo to produce bamboo handicrafts for additional income. The community earned approximately Nu. 147,000 (USD3,659) from the sale of their products during the 2007 National Crafts Festival in Thimphu.



*Community participation in a land management programme in Dagana, 2007*

## Lighting up rural Bhutan

Bhutan is blessed with considerable potential for hydro-power generation. However, geographical constraints, economic considerations and remoteness mean that a significant number of rural households (12%) would still remain off the national electricity grid. These constraints are present against the backdrop of an ambitious national goal of achieving electricity for all by 2012.

UNDP & GEF supported the development of a Renewable Energy Policy Framework in 2006-07. This policy framework addresses the need for decentralized renewable energy supply options such as solar and micro-hydro models and other issues requiring policy guidance such as security of energy supply.

At the field level, the initiative supported the translation of the policy into a pilot community-based micro-hydro model at Sengore, Mongar. Electricity generated from the Micro-hydel, commissioned in May 2007 has literally lit the

lives of the rural communities and contributed in enhancing their productive hour. The project also helps Bhutan meet its international commitment to reduce the annual growth of greenhouse gas emission from fossil-fuel use through harnessing of hydro power resources.

A comprehensive study has been completed to assess the potential to improve the socio-economic development of the Sengore community and to evaluate potential livelihood support, capacity development and productivity through utilization of electricity from micro hydro. In partnership with the Bhutan Development Finance Corporation (BDFC), a community collateral fund (CCF) has been set up and is managed and operated by the community through a set of guidelines.

To ensure sustainability of the micro-hydro model, the tariff policy and structure was determined and fixed by the Management Committee (from within the community) and will be reviewed annually and revised, when required.

## Ensuring a safe and happy Bhutan

Following the successful formulation of the National Disaster Risk Management Framework (NDRMF) and endorsement by the Cabinet in 2006, UNDP supported significant national efforts in drawing up enabling policies and procedures for disaster risk reduction to deal with the numerous disasters the country is prone to: earthquakes, landslides, floods, forest fires and the threat of GLOF.

A draft National Disaster Management Act has been prepared with support from UNDP and the Bureau for Crisis Prevention and Recovery (BCPR). The Disaster Management Act prepared with wide stakeholder consultation further consolidates principles and guidelines contained in the NDRMF and once approved will provide the legal basis

for disaster management work and coordination mechanisms in the country. Elements of the bill and the National Framework has already been translated into a National Disaster Management Planning guideline that help sectors integrate disaster risks including climate risk information into their sectoral plans and programmes and budget.

Responding to the request from the government, a United Nations Disaster Assessment and Coordination (UNDAC) mission was fielded in early 2008 to assess the national capacity for disaster response and preparedness. The mission made a number of achievable recommendations to strengthen the overall capacity to manage future natural disasters successfully.



UNDP supported in translating the priority needs identified by the NDRMF into two key disaster management projects namely addressing vulnerabilities to earthquakes and Glacial Lake Outburst Floods (GLOF).

Seismic standard codes and guidelines for earthquake proof construction and other activities have also been developed backed by adequate

awareness efforts through the use of mass media such as TV and radio. Other significant support include plans to mitigate the threat of GLOF and other climate risks through both structural and soft institutional measures including setting up early warning systems and strengthening the capacity of local and national institutions to plan for and cope with natural disasters.

## Tackling poverty and conserving the environment

Environment is cross-cutting that is intimately interlinked with poverty reduction.

Many of the policies and other factors underlying poverty and environmental degradation are similarly very much related. Reducing poverty as such implies focusing on the factors that can enhance the capacity of the poor- most notably women- to utilize and protect the natural resource base.

The UN System has developed a strong partnership between UNDP and UNEP through the Poverty-Environment Initiative (PEI). The PEI is a global UN-led program to support country-level efforts to mainstream environmental management into national planning processes through financial and technical assistance, and capacity development.

As part of this partnership the PEI programme is being piloted in Bhutan led by the Gross National Happiness Commission. The initiative is being scaled-up into a PEI programme for Bhutan to:

- Build long term capacity of the government agencies to integrate environmental concerns into the development plans, poverty reduction strategies and their implementations.
- Improve long-term ability of natural and environment resources to support livelihood and reduce poverty by piloting interventions.

While capacity development for integrating poverty-environment will be improved by developing tools and processes, the focus of the programme will be on enhancing livelihood of the rural people through domestication, establishing non-timber forest products (NTFP) based enterprises and eco-tourism to create better income generating opportunities so that the rural poor benefit from the environment. Other interventions will focus on protecting the asset base of the poor through participatory natural resource management.

The programme has thus far organised a number of awareness and advocacy workshops including an Asia regional workshop on Poverty-Environment Mainstreaming and various national workshops. Environment mainstreaming guidelines that integrate poverty reduction are being drafted for key sector ministries.



# Mainstreaming Gender

**G**ender is increasingly recognized and prioritized in cross sectoral development programmes because of the fact that disregard of gender inequalities usually make those inequalities worse. It is integrated and mainstreamed into the UNDP practice areas. This systematic attempt is to identify key issues that contribute to gender inequalities leading to socio- economic gaps between the different groups.

The key results achieved in 2007-08 include:

- Engendering MDG-based National Development Planning
- Implementation of the three critical areas of concern from the National Plan of Action for Gender (NPAG)

## Global workshop on engendering national development planning

A Global Learning Workshop on Engendering MDG based National Development Planning was held in Bhutan in December. Attended by UNDP senior and regional economists, and Regional Gender Advisors working in 14 different countries including senior government officials and UN staff in Bhutan, the workshop was aimed at internalizing and reinforcing understanding among participants of the synergy between achieving gender equality and poverty reduction. It also aimed at identifying from actual examples of MDG-based national development planning processes the strategic entry points and the limitations and opportunities

of existing approaches and strengthening the capacity to apply tools and methodologies to engender MDG-related national development planning processes.

The workshop was held in Bhutan given the country's constructive and positive experience in conducting the MDG Needs Assessment and Costing Exercise and also to maximize the potential benefit of learning from countries in the Asia-Pacific region who have had experiences in promoting MDG-based national development planning processes.

## Implementing the National Plan of Action for Gender (NPAG)

The National Plan of Action for Gender (2007-2013) developed by the National Commission for Women and Children (NCWC) with support from UNDP has identified key interventions that address challenges under seven critical areas of concern: Good governance; health; education; economic

development (focusing on employment); violence against women; ageing, health and disabilities; and prejudices and stereotypes.

Three critical areas of concern, namely good governance, violence against women, and



prejudices and stereotypes were identified and costed as the part of the MDG Needs Assessment and Costing Exercise in 2006-2007. The NPAG has been used as the key reference document by the government for mainstreaming of gender issues in the Tenth Plan document.

## **a. Leadership training for women**

To focus on capacity development specific to good governance, women from 14 Districts (Dzongkhags) participated in the “Leadership Training for Women”, that enhanced their decision making, gender sensitization and leadership skills and knowledge. The programme was conducted

UNDP in partnership with NCWC supported the capacity development of national gender focal points to mainstream and implement the key interventions identified for addressing challenges under the three key critical areas of concern in the government 10<sup>th</sup> Five Year Plan.

by the National Women’s Association of Bhutan, a non-governmental organization through UNDP/ SNV support. It was aimed at increasing women’s representation at all levels of governance, particularly at the local level.

## **b. Empowering women**

Through the Gender Mainstreaming and Women’s Empowerment project, UNDP along with other UN agencies supported Respect Educate Nurture and Empowerment of Women (RENEW), an NGO dedicated to the relief and empowerment of disadvantaged women and adolescent girls, to establish a support mechanism to promote and

protect women rights, particularly for victims of domestic violence. This project supported strengthening the capacity of counselors in micro credit schemes and vocational training to improve their livelihood skills. Support was also provided to develop adequate procedures and mechanisms to address violence against women.

Ms. Sangay Pelmo, 32 years, from Punakha said “since we work in the rural areas, we are not familiar with some of the new issues that are being discussed in the capital city”. I remember hearing and reading about the word ‘gender’ in the newspapers and on the news but it never made much sense to me since I was not aware of what it stood for. This training conducted by NWAB with the assistance from SNV/UNDP has helped me better understand the word gender as well the importance of women’s participation. We were never aware of such issues such as gender. Living in a society where men have always played a greater role, women in the rural areas have grown up with the belief that we should listen to men and do as they say. With this leadership training on Gender, we have now realized that we too have an equal responsibility in our homes, in our work places and in society. We have learnt that we too can contribute to the development of our community and the nation. This training has proven to be very educational for me and my fellow colleagues and I would like to thank the organizers for taking the initiative to educate us women on Gender”.

## c. Promoting a safe & conducive environment for women & children

UNDP, UNICEF and UNIFEM's support to the establishment of the Women and Child Protection Unit at the Royal Bhutan Police premises has been an important step in developing women and child friendly police and judicial procedures. Over the last one year since its establishment, the unit has provided a safe and conducive environment to women and children ensuring that the victims receive appropriate help.

The unit which is expected to be replicated in the districts on a smaller scale is expected to promote wider understanding and appreciation of women and child rights; institute women and child friendly law enforcement procedures and a complaints and response mechanism to address violence against women and children.

## Understanding gender

To develop a common understanding amongst UN agencies and with government counterparts a pamphlet 'Understanding Gender' was published and widely disseminated. This pamphlet has been instrumental to promote the 'Delivering as One UN' approach towards understanding gender issues in Bhutan. The 2001 Gender Baseline Study

conducted by the government revealed that although Bhutan enjoyed a high level of gender equality, more subtle and indirect forms of gender bias did exist. The pamphlet addressed the need to create awareness and highlight the gender gaps in key areas of development in the country.

## Bhutan submits 7<sup>th</sup> CEDAW periodic report

UNDP support in the area of gender is aligned with fulfilling Bhutan's obligations and responsibilities to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), which Bhutan ratified in 1981.

The 7th periodic report was submitted to the CEDAW Committee in 2007 by Royal Government of Bhutan. UNDP supported NCWC in the preparation of the report.

Recommendations and concerns highlighted for the initial to the 6<sup>th</sup> combined CEDAW reports provide the basis for the identification of the 7 critical areas of concern identified in the NPAG. The situation analysis for the 7 areas provided the much needed information for the preparation of the report. Bhutan's 7<sup>th</sup> Period Report will be presented at the 43<sup>rd</sup> session of the CEDAW Committee in early 2009.



# Volunteerism for Development

United Nations Volunteers (UNV) is the United Nations focal point for promoting and harnessing volunteerism for effective development. UNV is dedicated to using Volunteerism for Development to make distinctive contributions to the effectiveness of development.

UNV's work in Bhutan is primarily focused on a) strengthening partnership with civil society and b) promoting volunteerism through advocacy programs such as the International Volunteers Day

together with the Volunteers In Bhutan (VIB) group. The 2007 International Volunteers Day was primarily targeted at students to draw out the students' clear visions of volunteerism existing in Bhutanese culture while providing them the opportunity to become aware of their social responsibility.

The event also provided a forum to advocate, enhance and promote volunteerism in Bhutan and strengthen the network among volunteers in Bhutan.



*Community members of Rukha village, Athang Gewog jointly constructing a house, 2007.*

## Communities confident to take up livelihood challenges

UNV in partnership with Tarayana Foundation, a non-governmental organization helped a rural minority community to facilitate sustainable human and community development. 17 households of Rukha village under Athang geog in Wangdi, one of the most disadvantaged gewogs in terms of access to road, market education and health facilities, have benefited from this integrated multi-sectoral initiative, "Integrated Community Development for Poverty Reduction".

The community members, both men and women, have gained and developed skills in basic carpentry and masonry and two have also been declared as competent carpenters who can be entrusted with traditional house construction. The confidence level of the community has grown and this is evident in their willingness to take on bigger challenges in improving their skills. Together the community has successfully completed eight houses during the course of their training and the instructor is very satisfied with the outputs.

In learning these skills in basic carpentry, house construction activities as well as in stone masonry women have been equal partners in bringing about community development in their own village and have also volunteered to teach the neighbouring villages once their own home improvement is completed.

There are currently five UNVs working in Bhutan in the areas of poverty reduction, IT, education, and agriculture. 15 Bhutanese are serving as UN volunteers, mainly in ex-conflict countries.

***"Volunteers make positive impacts in all spheres of service delivery, adding compassionate dynamism to development initiatives."***

*Her Royal Highness Ashi Sonam Dechan Wangchuck at International Volunteers Day, 2007*



# Partnership Strategy

UNDP plays a lead role in donor coordination in Bhutan. The highest level of donor coordination mechanism in Bhutan is through the Round Table Meeting (RTM) held every 2-3 years and co-chaired by the UNDP Regional Director.

The most recent RTM, held in February 2008, saw a high-level participation of over 130 delegates, representing 14 bilateral partners, 20 multilateral partners and 4 non-government organizations. There was overall consensus among development partners to continue to support the government in its efforts to reduce poverty and attain the MDGs, in particular among its rural population where

the greatest incidence of poverty prevails. There was also widespread support for the democratic transition currently underway and admiration of the foresight that made this possible.

The critical importance of ensuring continued and sustained support of external development assistance for the Tenth Plan was widely recognized, underpinning the democratic transition. Several key development partners expressed their willingness to adopt harmonized approach through budgetary support, pooled funding and/or joint programming.

## Partnership with bilateral partners and resource mobilization

UNDP Bhutan has set an ambitious target to more than triple the level of non-core resources under the new cCPAP 2008-2012. With a rather small donor community presence in Bhutan, resource mobilization has been a major challenge for UNDP. During 2007-08, there has been an increased cooperation with the Government of Japan including funding support to the first democratic national elections through UNDP, UNDP-JICA collaboration in the area of decentralization, poverty reduction and earthquake risk reduction, and a joint UN project to support rural education, job and income security funded through the UN Human Security Fund.

The Austrian Government has recently agreed to provide cost-sharing support to the Glacial Lake Outburst Flood risk reduction project. A series of joint missions have been undertaken to develop a cooperation framework in the area of governance among DANIDA, SDC/Helvetas, Austria, the Japan International Cooperation Agency (JICA), UNCDF and UNDP. While access to GEF funding has become increasingly competitive for a small country like Bhutan, UNDP Bhutan has been successful in mobilizing critical GEF funding in support of climate change, bio-diversity and sustainable land management.

## Collaboration with International Financial Institutions

UNDP collaborates with the World Bank in the area of sustainable land management, and in the broad area of implementing the Paris Declaration on Aid Effectiveness through the introduction of the medium term fiscal framework, and in enhancing national procurement system. Collaboration

with Asian Development Bank (ADB) includes supporting the Bhutan Development Financial Corporation in the area of microfinance, capacity building of local governments in financial management and capacity building of the Royal Audit Authority.

## Partnering with Civil Society Organizations

In light of the ongoing democratic transformation in the country, the roles of CSOs will be of increasing importance in terms of: representing the voice and needs of the poor, women, people with disabilities and other vulnerable groups; providing basic services and humanitarian support at the grass-

roots level; and enhancing accountability and transparency of the development interventions and mechanisms. UNDP Bhutan is committed to further enhance its support to the works and capacity building of growing national level CSOs as well as community based organizations.

## Partnership with the media

The role of independent media is critical for the well functioning of a democratic system. UNDP's partnership with the media comprises: support to institutional development through the establishment of a Journalists Association, professionalization of journalists through training

and regional networking; support to the effective interaction and information sharing mechanism between National Assembly Secretariat and the media; and capacity building of the spokespersons of key public institutions.

***“While the Royal Government is fully committed to attaining economic self-reliance, till such time, the continued support and cooperation of our development partners is critical.”***

*Bhutan's former Prime Minister, Lyonpo Kinzang Dorji, at the 10th RTM, Feb, 2008.*



# Towards Delivering as One UN

An overriding objective of the Bhutan UN Country Team in 2007 has been to enhance development effectiveness of UN activities in Bhutan through improved UN coordination, effectiveness and efficiency in supporting national goals.

With the agreement of the government, a common CPAP 2008-2012 (cCPAP) was signed in December 2007 which reflects the activities of 14 UN agencies (resident and non-resident). The common CPAP has been derived from the UN Development Assistance Framework (UNDAF), and was prepared through a highly consultative process with the government and signed in June 2007.

UNDAF/cCPAP was developed in parallel with the government's preparation of the 10<sup>th</sup> Plan, which allowed full alignment and cross fertilization in terms of priorities and strategies.

The five priority areas that the UN system is supporting Bhutan over the next five years (2008-2012) as per the UNDAF/cCPAP are: (1) Increased

opportunities for generation of income and employment in targeted poor areas; (2) Increased access to, and utilization of, quality health services, with emphasis on reproductive health, maternal and child health and nutrition, HIV/AIDS, tuberculosis, malaria and non-communicable diseases; (3) Improved access to quality education for all, with gender equality and special focus on the hard-to-reach population; (4) Strengthened institutional capacity and people's participation to ensure good governance; and (5) Strengthened national capacity for environmental sustainability and disaster management.

Five UN Theme Groups have been set up in line with these key areas of UN support, which are responsible for the implementation, monitoring and evaluation of the cCPAP. UNDP was active in the formulation of the common CPAP and co-chairs three of the five theme Groups: Governance; Poverty Reduction/Data and the Environment and Disaster Risk Management groups.

The cCPAP is being implemented through joint Annual Work Plans among the UN agencies.

***"What is very promising of this common approach is that it brings together all the UN agencies within a coherent framework thus improving the quality of our cooperation and reducing administrative burden."***

*Mr. Karma Tshiteem, Secretary, GNHC, at the signing of the cCPAP, Dec, 2007.*

## Simplification & harmonization processes

Much progress has been made in the simplification and harmonization of UN procedures to have in place a common set of operational procedures for the UN agencies in Bhutan. Several activities have been undertaken in the areas of HR, Procurement, Finance and financial reporting, Administration, IT, staff welfare and common services to streamline management of common services while seeing the value added through the tracking of cost savings.

In the area of human resource management, efforts are on to harmonize Special Service Agreements(SSA) and establish a common roster for consultants.

Under Supply/Procurement management, common Long Term Agreements have been established for travel/airticketing, procurement of office supplies and stationaries and conference facilities. A common roster of suppliers and service providers has also been developed.

Furthermore, UN agencies have undertaken macro and micro-assessments of the financial management system and capacity building of national implementing partners and agreed with the government on a harmonized cash transfer mechanism using a common financial reporting format as well as a set of identified assurance and capacity building activities.

2007 has been a good year for advancing common set of operational procedures, thus paving the way for greater harmonization among the UN agencies in Bhutan. It will in the long run result in cost savings and more importantly streamline operational procedures in the UN in Bhutan.

These harmonization efforts will be further enhanced when the UN agencies move into the new UN House where provisions have been made for a common floor for common services pertaining to administrative management, ICT and communication for all UN agencies.



## **Solution Exchange Bhutan - Mining knowledge, channeling solutions**

SE-Bhutan has advanced into an active knowledge network for development practitioners.

It has connected over 600 members from various backgrounds: government, development partners, and individual consultants. About 20% of the members are based outside Bhutan.

Several interesting discussions based on emerging challenges have taken place on the network:

- The role of Civil Society in Bhutan - Advice, Examples
- Generating Youth Employment through Waste Management Efforts -Advice, Examples
- Issues of Rural-Urban Migration – Experiences
- Domestic Violence, impact on children - Advice, Examples
- Grappling with stray dog problem in Bhutan - Advice; Experiences
- Employment Generation through Handicrafts - Experiences
- Mitigating Risk of Glacial Lake Outburst Flooding/Himalaya Region – Experiences
- Corporate Social Responsibility- Experiences

The e-discussions have been used by development practitioners in their day-to-day work. For instance, the discussions on Civil Society Organizations was used as a basis for organizing a workshop on role of Civil Society in February 2008; the lively discussion on Women in Politics led to the formation of a women's wing within the two political parties, while stray dog problem on SE was picked up by the media to portray the challenges faced by a local (Jansa) Animal Saving Trust. As a result, donations flowed in, both in kind and cash to the Trust, to save the stray dog population.

Besides the e-discussion, SE-Bhutan also organises face-to-face meetings for its members to share and discuss new studies/findings. Such sessions provide an opportunity for SE members to get together and discuss the way forward for SE Bhutan.

SE-Bhutan is an initiative of the UN country team and was initiated in March 2007.

**Visit [www.solutionexchange-un.net.bt](http://www.solutionexchange-un.net.bt) and be a part of this lively discussion forum.**

# Programme Resources & Expenditure 2007

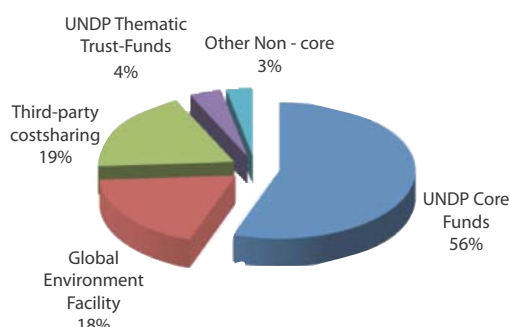
UNDP Bhutan has seen a steady increase in the overall programme delivery during the last five years, from US\$2.3 million (2003) to US\$3.8 million (2007). Delivery of core resources has always been 100%, while the non-core delivery in 2007 reached US\$1.7 million, the highest during the same period and which is expected to grow further in 2008.

During 2003-2007, UNDP had delivered overall

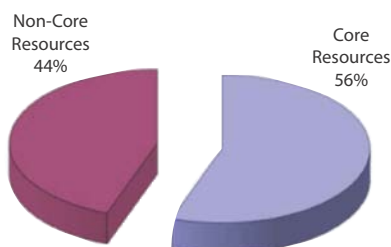
amount of US\$15 million, of which two-third was from the core resources.

Under the new Country Programme Document (CPD) and cCPAP 2008-2012, UNDP has established an ambitious resource mobilization target of US\$27.9 million including US\$8.4 million from the core and 19.5 million from non-core, which is a challenging task.

## Programme expenditure in 2007 by funds (USD thousands)




## Programme expenditure in 2007 (USD thousands)



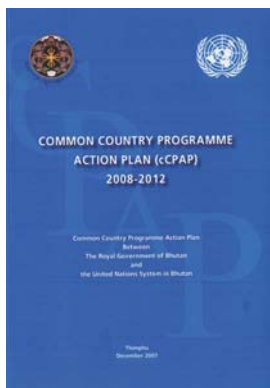
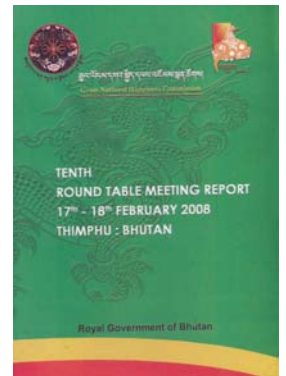

In the next five years under the CPD/cCPAP 2008-2012, UNDP has established an ambitious resource mobilization target of US\$27.9 million including

US\$8.4 million from the core resource and 19.5 million from non-core resources.



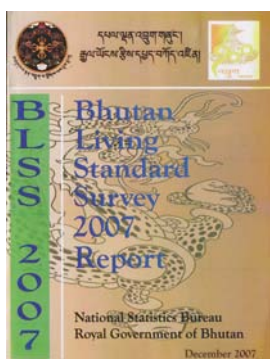
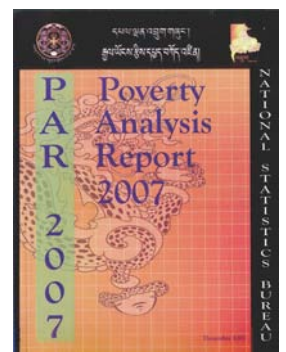
# List of UN/UNDP Bhutan Publications, 2007-08

- Tenth Round Table Meeting Report, February 2008



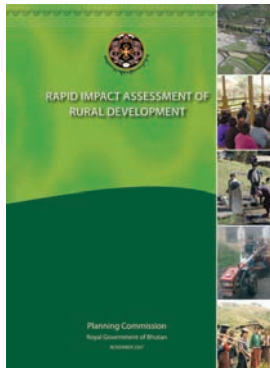
- Common Country Programme Action Plan(cCPAP) 2008-2012, January 2008

- Poverty Analysis Report, December 2007



- Bhutan Living Standard Survey Report, December 2007

- Bhutan MDGs Needs Assessment and Costing Report (2006-2015), November 2007



- Rapid Impact Assessment of Rural Development, November 2007

- Macroeconomics of Poverty Reduction: The Case Study of Bhutan, August 2007



- Bhutan National Human Resource Development Report, June 2007

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