

INDEPENDENT COUNTRY PROGRAMME EVALUATION

OF UNDP CONTRIBUTION **BHUTAN**



HUMAN DEVELOPMENT effectiveness COORDINATION
efficiency COORDINATION AND PARTNERSHIP sus
NATIONAL OWNERSHIP relevance MANAGING FO
sustainability MANAGING FOR RESULTS responsiveness
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HUMAN DEVELOPMENT effectiveness COORDINATION



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INDEPENDENT COUNTRY PROGRAMME EVALUATION OF UNDP CONTRIBUTION **BHUTAN**

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FOREWORD

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

UNDP has been supporting the Royal Government of Bhutan and the Bhutanese people since 1973, although a local presence was officially established only in 1979. Its programme has changed significantly over the years, shaped both by the country's development aspirations and its challenges. The five-year plans and the gross national happiness concept, which articulate Bhutan's goals and principles for development, are among the key national frameworks on which UNDP's work has been conceived.

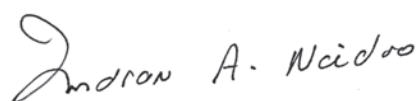
Despite significant progress and likely graduation from least developed country status, Bhutan continues to face numerous challenges, including socio-economic gaps, rapid urbanization and risks of natural disasters. Given the country's significant potential in many respects, including strong government commitment to the achievement of the Sustainable Development Goals, a growing youth population that can drive the country's economic development, and the strengthening of its democratic institutions, UNDP has much more to contribute to help facilitate Bhutan's transformative processes.

UNDP made tangible contributions in its programme areas during the period under review, helping Bhutan make its sustainable and 'green'

economic growth more equitable, inclusive and resilient to climate change and natural disasters. UNDP has supported governance institutions and communities in becoming better equipped to exercise principles of democratic governance and has strengthened the legal and policy environment for advancing the rights and protection of women.

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

I would like to sincerely thank the Royal Government of Bhutan, colleagues at the UNDP Bhutan country office and Regional Bureau for Asia and the Pacific, and national development partners for their participation in the evaluation and for providing support throughout the exercise. The report ends with a summary of conclusions and recommendations. I trust that the messages contained there will be useful in our colleagues' formulation of their next country strategy, starting in 2019.



Indran A. Naidoo
Director
Independent Evaluation Office

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ACRONYMS AND ABBREVIATIONS

ABS	Access to genetic resources and benefit sharing
ADR	Assessment of Development Results
BCMD	Bhutan Centre for Media and Democracy
BIOFIN	Biodiversity Finance Initiative
BITAD	Bhutan Institute of Training and Development
BOS	Business Operations Strategy
CCPD	Common country programme document
CPD	Country programme document
CSO	Civil society organization
DRE	Department of Renewable Energy (Bhutan)
GDP	Gross domestic product
GEF	Global Environment Facility
GEN	Gender marker
GRES	Gender results effectiveness scale
HIV	Human immunodeficiency virus
ICPE	Independent Country Programme Evaluation
IEO	Independent Evaluation Office
ILCCP	Integrated Livestock and Crop Conservation Project
LDC	Least developed country
LGBT	Lesbian, gay, bisexual and transgender
MDG	Millennium Development Goal
MIC	Middle-income country
MRG	Mainstreaming Reference Group
NAPA	National Adaptation Programme of Action
ODA	Official development assistance
PEI	Poverty-Environment Initiative
SDG	Sustainable Development Goal
SEA	Strategic Environmental Assessment
TRC	Tarayana Rural Crafts
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNSDPF	United Nations Sustainable Development Partnership Framework

EXECUTIVE SUMMARY

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

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

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

KEY FINDINGS

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

Finding 2: With limited resources to be allocated towards employment opportunities for

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

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

Finding 4: In particular, gender equality and women’s empowerment has been better mainstreamed in the sustainable development area when compared to previous years, especially in the larger projects, such as those supported by the Global Environment Facility.

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

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

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

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

Finding 9: UNDP has successfully partnered with civil society organizations (CSOs) as effective channels to promote democratic principles and to respond to the needs of vulnerable groups; CSOs have also helped bring about positive humanitarian and development results at the local level.

Finding 10: Overall, UNDP contributions have been highly relevant to the evolution of development in Bhutan. UNDP has operated in alignment with its own mandate as well as the overarching Bhutanese development concept and vision of gross national happiness, along with national needs and development goals, objectives and priorities, as expressed in Bhutan's five-year plans.

Finding 11: In terms of the relevance of approaches taken, UNDP support has been consistent with the principles of national ownership and the multidimensional human development approach. Nevertheless, there is room for improvement in terms of overall programme strategies, ensuring a

clear theory of change in each of the focus areas, and refining the documentation of results for improved learning and effectiveness.

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

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

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

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

Finding 16: The sustainability of UNDP contributions varies, but is mostly satisfactory, based on good national ownership of results, enhanced capacity, improved legislation and support to the continuation of many UNDP-implemented initiatives and achieved results. Where attention to sustainability was limited, it was mainly due to financial constraints and the lack of theories

of change, quality results data and evidence to inform decision-making, policy and planning efforts, as well as learning for course corrections and improved effectiveness.

Finding 17. UNDP has been a relevant and responsive partner in addressing emerging national needs, development challenges, government priorities and significant shifts.

Finding 18: UNDP's comparative strengths in relation to other international organizations and key added value have been access to its knowledge network and good practices, especially for capacity building and policy advice; its convening power to bring partners and donors together (Round Table Meetings); and its perceived access to funding. Nevertheless, UNDP is often mistaken for a donor and is sometimes valued only as such. This represents a risk in an environment of diminishing resources due to graduation to MIC status, where increasingly UNDP wishes to be recognized more as a development partner than simply a donor.

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

Finding 20: UNDP is well positioned to continue to help lead UN coordination in Bhutan. Nevertheless, clear theories of change are lacking. Such frameworks are central to developing a successful programmatic approach to Delivering as One and improving coordination, in highlighting cross-cutting issues, strengthening synergies, reinforcing complementarities, and removing duplication to enhance efficiency and effectiveness in achieving focused results.

CONCLUSIONS

Conclusion 1. Strategic positioning: UNDP has made valuable contributions to the development of Bhutan. However, given limited resources (due to graduation to MIC status),

UNDP has the challenge and the opportunity to reposition itself to ensure it can continue to make significant and sustainable contributions to development. UNDP currently lacks theories of change and a results-based management framework. Such frameworks are necessary to more effectively support a MIC with the systems thinking needed to determine how much and how best to invest and when, and in what sequence. The use of such frameworks will help ensure the best use of limited resources and more effective and sustainable advances towards transformational change.

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

Conclusion 3. Democratic governance: UNDP has significantly contributed to the consolidation of Bhutan's parliamentary democracy. It has helped governance institutions and communities exercise the principles of democratic governance at national and local levels, with a focus on inclusiveness, transparency, accountability and evidence-based decision-making. UNDP remains well positioned to provide further contributions to institutional strengthening, mainly of the civil service, local governance, Parliament's oversight role, and monitoring and evaluation of the 12th Five-Year Plan. However, it has yet to develop an adequate theory of change for when it is appropriate to invest in the short term

and when a medium- to long-term approach is required for sustainable governance outcomes.

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

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

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

adequately support UNDP strategic positioning and upstream policy advisory services.

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

RECOMMENDATIONS

Recommendation 1. Strategic positioning: Given Bhutan's graduation to MIC status, the UNDP country office will need to strengthen its strategy to better support Bhutan in dealing with the development challenges ahead. This will require preparing the country office for even more upstream policy work and gradually scaling up government cost-sharing, private sector and other innovative co-financing (such as implementation of World Bank/Asian Development Bank loans) for downstream work. Furthermore, UNDP will need to develop clear theories of change with proper systems thinking to ensure more efficient and effective investment of its limited resources and the sustainability of results. The emphasis should be on capacity development and strengthening of cross-sectoral synergies by integrating the areas where it can most add value to the achievement of the Sustainable Development Goals (SDGs), focusing on leaving no one behind. Increased emphasis should also be given to developing fewer, more focused projects. Piecemeal investments should be avoided, since their impact is limited and beneficiaries and partners tend to criticize more than value the subsequent results. Assistance from the UNDP regional bureau and other country offices will be key to helping the Bhutan country office learn from the experiences of other countries that have recently graduated.

Recommendation 2. Sustainable development: UNDP should reconsider rapid urbanization and subsequent growth of environmental and social vulnerabilities. These include environmental, climate change and disaster risks, along with livelihood and employment issues in urban areas. The approach taken should be comprehensive, while increasingly making connections between rural livelihoods and urban systems, including through support for job-creation opportunities. A theory of change will be needed that integrates environmental management, climate and disaster resilience with measures to address inequality, unemployment and livelihood issues through innovation and technology, with a clear focus on vulnerable groups and youth. To help forge such linkages, UNDP should enhance partnerships with CSOs, now that there is a clear recognition of their role in development and since existing partnerships have shown greater adaptability and responsiveness to grassroots-level issues. The approach should also explore engagement with the private sector, both in the country and regionally. Specifically, it should look at creating green jobs in three of the five economic development policy ‘jewels’: cottage and small industries, tourism and agriculture – with special emphasis on generating employment and income among poor and vulnerable groups, including women and youth.

Recommendation 3. Democratic governance: UNDP should develop a theory of change for immediate and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening. UNDP is well positioned to emphasize support for improved accountability in the delivery of the 12th Five-Year Plan. UNDP may focus on internal accountability through the strengthening of internal monitoring of the plan and/or external evaluation through the Parliament and community participation. Either option will need to be further supported by local public administration reform in the context of decentralization to align the mandates of local government agencies and officials; performance measurements will also

need to reflect the gross national happiness concept and principles and the SDGs.

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

Recommendation 5. Funding: UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy. This should include proper training of select staff to engage with the private sector in Bhutan and in the region as a source of co-financing. In addition, the mechanisms and advantages of government cost-sharing need to be more clearly and effectively explained to current and potential partners in Bhutan.

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

Recommendation 7. Coordination: UNDP is uniquely positioned to continue to help lead UN coordination in Bhutan along with integration among UN agencies of SDG advocacy and the prioritization of the gross national happiness concept and objectives, while advancing the SDGs, focusing on leaving no one behind. However, to do this successfully will require implementing the UN Secretary-General's recommendations on repositioning the UN System to improve coordination and to develop a clear theory of change for a more focused programmatic approach to Delivering as One. Furthermore, UN agencies would benefit from a common monitoring and evaluation officer to ensure that a common planning, monitoring and reporting

framework exists, with improved attention to results-based management with fewer indicators with more adequate baselines. This would reduce duplication of activities and transaction costs and enhance knowledge-sharing and synergies, not just to prove results but to improve results. Strengthening UN coordination would also mean investing in a strategy to better leverage financing for development and insisting on joint agency financing practices, especially for analysis, innovation (piloting) and advocacy for the SDGs. Moreover, stronger UN coordination will require improved communication within agencies, especially about funding opportunities, as well as ensuring that the UN country team is better prepared to help Bhutan if/when natural disasters strike.

Chapter 1

INTRODUCTION

This chapter presents the purpose of the evaluation, an overview of Bhutan's development context and United Nations Development Programme (UNDP) country programmes, along with an explanation of the methodology used in this evaluation.

1.1 PURPOSE, OBJECTIVES AND SCOPE OF THE EVALUATION

The Independent Evaluation Office (IEO) of UNDP conducted an Independent Country Programme Evaluation (ICPE) in Bhutan in 2017. The evaluation was carried out within the overall provisions contained in the UNDP Evaluation Policy.¹ The purpose of the evaluation was to support the development of the next UNDP country programme document (CPD) and to strengthen UNDP's accountability to national stakeholders and to the UNDP Executive Board.

This is the second ICPE conducted in Bhutan, previously called 'Assessment of Development Results', or ADR. This evaluation examined UNDP Bhutan's current programme cycle for the period 2014–2018. However, given that the first ADR was conducted in 2007, this evaluation also followed up on that report's recommendations, considering the cumulative results of the previous programme cycle, 2010–2014. Particular attention was paid to ongoing projects carried on from the past programme cycle, in order to better assess results achieved over time.

The objective of the evaluation is 1) to assess UNDP's contribution to development results through its programmes and 2) to assess the quality of its contribution. The ICPE was conducted in close collaboration with the Government of Bhutan, UNDP Bhutan country office, UNDP Office of Audit and Investigations and UNDP Regional Bureau for Asia and the Pacific. Results of the evaluation are expected to feed into the development of the new country programme, 2019–2023.

1.2 OVERVIEW OF THE NATIONAL DEVELOPMENT CONTEXT AND CHALLENGES

The Kingdom of Bhutan is a small landlocked country, located entirely within the Himalayas, bordered by China to the north and India to the south, with a total population of 789,207.² The Government became a democratic constitutional monarchy³ in 2008, where His Majesty the King is the Head of State and the Prime Minister is the Head of Government. Since then, Bhutan has successfully conducted two national elections and democratically formed a government.

The concept of 'gross national happiness' in Bhutan is key to promoting a balanced and holistic approach to development. It encompasses good governance, environmental conservation, cultural preservation and equitable socio-economic development, in addition to traditional socio-economic indicators.

1 UNDP Evaluation Policy, UN document DP/2016/23, United Nations, New York, 19 July 2016. The ICPE was also conducted in adherence to the 'Norms and the Standards for Evaluation' developed by the United Nations Evaluation Group.

2 National Statistics Bureau, Royal Government of Bhutan, 2017. Available from <http://www.nsb.gov.bt/main/main.php#&slider1=4>. Based on National Statistics Bureau estimates for 2017; the results of the 2017 census are expected to be published in mid-2018.

3 The Constitution of the Kingdom of Bhutan.

After an economic slowdown in 2013, Bhutan's gross domestic product (GDP) rebounded to a growth rate of 6.49 percent in 2015; this is 0.75 percentage points higher than in 2014.⁴ Economic growth is projected to continue, reaching 6.8 percent in 2017.⁵ The economy of Bhutan is largely dependent on the sustainability of its natural resources, with hydropower, tourism, agriculture and forestry as the main sources of revenue. The economy of Bhutan is closely tied to India through monetary and trade linkages.

The private sector in Bhutan is still small, State-centric and relatively undeveloped. However, with urban unemployment and the limited scope for expanding the public sector, the Government sees the private sector as the engine of Bhutan's future growth and as a growing source of employment for the rapidly increasing number of Bhutanese graduating and entering the workforce.

Bhutan has shown good progress on social indicators. The Gini coefficient in 2013 was 0.381,⁶ indicating that the country has made progress on inequality since 2003, when the index had a value of 0.467. Nevertheless, Bhutan's 2015 human development index was 0.607, ranking it 132nd out of 159 countries.⁷

Despite progress, gender challenges in Bhutan are still significant, with efforts under way to address legal and policy framework obstacles and/or gaps in promoting gender equality and women's empowerment. Domestic violence remains a challenge, along with women's lower literacy rates, underrepresentation in decision-making and leadership positions, and their lower participation in the formal labour force.

The Government has sought to strengthen democratic governance and decentralization to improve effective service delivery and resilience to economic shocks and natural hazards. The Constitution of the Kingdom of Bhutan, adopted in 2008, serves as a framework for the democratic political system. At the central level, the Government consists of various ministries and non-ministerial bodies. At subnational and local levels, there are a total of 20 *dzongkhag* administrations, 205 *gewogs*, five *thromdes* (municipalities) and other local elected bodies delivering government development programmes and public services. The legislative system is comprised of the National Council or *Gyalong Tshogde* (Upper House) and the National Assembly or *Gyalong Tshogdu* (Lower House). The judiciary system is made up of a Supreme Court, a High Court, and a network of District Courts and *Dungkhag* (or subdistrict) courts. There are some challenges in terms of institution building, including the need for effective and equitable delivery of legal aid.

Bhutan developed the Civil Society Organizations Act in 2007 and established the Civil Society Organization Authority in 2009 to oversee these organizations. In 2013, Bhutan had 30 registered civil society organizations (CSOs) and, by 2017, that number had increased to 48.⁸

Bhutan faces numerous environmental challenges arising from several interdependent factors, including frequent natural disasters, climate change and urbanization, that further challenge social outcomes. Glacial lake outburst floods are one of the major threats facing the country, since it has hundreds of glaciers and glacial lakes situated on high mountain catchment areas,

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

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

6 World Bank, 'World Development Indicators 2013'. Data retrieved by the UNDP Human Development Report Office in October 2013 (see: <http://hdr.undp.org/en/content/income-gini-coefficient>).

7 United Nations Development Programme, 'Human Development Report: Briefing note for countries on the 2016 Human Development Report – Bhutan.'

8 Bhutan CSO authority.

25 of which are considered to pose a high risk.⁹ Bhutan also lies in a seismically active zone of the Himalayas and is vulnerable to major earthquakes. The threat of natural hazards, as well as climate-change impacts, could have severe consequences for Bhutan's economy and livelihoods, which are highly dependent on nature. In addition, poor waste management practices have become an emerging issue with serious risks to public health as well as the environment.

Bhutan's likely graduation from least developed country (LDC) status, and its current middle-income country (MIC) status, has led to a significant shift in how official development assistance (ODA) has evolved. The governments of India, Japan and Austria remain the bedrock of bilateral donors as the country sees a decline in other traditional bilateral donors.

In recent years, economic diversification has emerged as one of the key national development priorities in Bhutan, alongside issues such as youth employment in the context of rapid urbanization as well as natural resource management and climate and disaster resilience.

1.3 OVERVIEW OF THE UNDP PROGRAMME

Bhutan became one of the pilot countries for the UN goal of 'Delivering as One' in 2008. The current common country programme of UNDP, the UN Population Fund (UNFPA) and the UN Children's Fund (UNICEF) covers the years 2014–2018. It focuses on 1) sustainable development, 2) essential social services, 3) gender equality, and 4) democratic governance and participation. The common country programme reflects the strategic priorities and approach of a Delivering as One programme to: a) highlight cross-cutting issues, b) strengthen synergies, c) reinforce complementarities, and d) remove duplication in order to enhance efficiency and effectiveness in achieving focused results. The 'One programme', as it is called, aims to reduce the review burden for government partners and allow participating organizations to harmonize their efforts and articulate areas of cooperation.

The UNDP programme contributes to all outcomes of the common country programme document (CCPD), but focuses on outcomes 1, 3 and 4, through a cross-outcome, integrated and

Table 1: Country programme outcomes and indicative resources (2014–2018)

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

Source: Common country programme document for Bhutan, 2014–2018

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

multidimensional approach. **Outcome 1** covers sustainable development, including aspects of poverty reduction and livelihoods, environmental sustainability and disaster risk management. **Outcome 3** covers aspects of the legal and policy environment for advancing the rights and protection of women and children and gender mainstreaming in key ministries, autonomous bodies, non-governmental organizations and private companies.¹⁰ **Outcome 4** covers democratic governance aspects, including components of development planning, mainstreaming of Agenda 2030 and the Sustainable Development Goals (SDGs), as well as participation, justice, inclusiveness, transparency, and the equitable participation of women and youth in the decision-making processes at the national and local levels. **Outcome 2**, on social services, is not part of UNDP's focus; therefore, it is not covered by this evaluation.

1.4 EVALUATION METHODOLOGY

The evaluation followed the methodology detailed in the terms of reference (see Annex 1), comprising two components: 1) assessment of UNDP's contribution by thematic/programme area, and 2) assessment of the quality of this contribution. The ICPE presents its findings and assessment according to the set criteria below, based on an analysis of CCPD outcomes, in order to generate findings, broad conclusions and recommendations for future action.¹¹

UNDP's contribution by programme areas:

The ICPE assesses the effectiveness of UNDP in contributing to development results in Bhutan through its programme activities. Specific attention is paid to assess the contribution related to UNDP's overall vision of helping countries achieve poverty eradication, reducing inequali-

ties, vulnerabilities and exclusion, and its contribution to furthering gender equality and women's empowerment.

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

- **Relevance** of UNDP's projects and outcomes to the country's needs and national priorities and UNDP mandate. The assessment was based on the analysis of the context, national strategies and policy documents, UNDP strategies and interventions, and stakeholder interviews.
- **Efficiency** of UNDP's interventions in terms of its use of human and financial resources. The analysis of efficiency was based mainly on data available in the UNDP financial management system (Atlas), on programme and project documents, annual work plans and interviews.
- **Sustainability** of the results to which UNDP contributed. In order to analyse sustainability, the evaluation looked for evidence of sustainable enhanced capacity, and in the case of ongoing initiatives, assessed the likelihood of real changes occurring and remaining after UNDP support comes to an end.

Data collection and analysis: The evaluation used data from primary and secondary sources obtained through a desk review of documentation (see Annex 2) and semi-structured interviews with key stakeholders, including beneficiaries, partners and managers. Special attention was given to integrate a gender-equitable responsive approach to the evaluation methods and reporting. In their analysis of outcome results, the evaluation team used the five categories¹² used in the gender results

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

11 Further elaboration of the criteria can be found in the *Independent Country Programme Evaluation Manual 2011*.

12 Gender negative, gender blind, gender targeted, gender responsive and gender transformative.

effectiveness scale (GRES) to broadly describe the type of results emerging from selected projects, including the associate evidence supporting that designation. In order to identify the gender profile of the country office (in addition to applying GRES categories to project results), the evaluation team collected and analysed gender marker¹³ data and gender parity statistics for the country office. These data were used to assess whether the country office's management, structure and projects support the delivery of equitable development benefits for both women and men, and strengthen Bhutan's efforts towards gender mainstreaming in its development policies.

A multi-stakeholder approach was followed, and interviews included government representatives, CSOs, private sector representatives, UN agencies, multilateral organizations, bilateral donors and beneficiaries of the programme. The evaluation team interviewed 136 UNDP staff, partners, stakeholders and beneficiaries (see Annex 3) and conducted 15 project site visits outside of Bhutan's capital (see Annex 4). Focus groups were used to consult some groups of beneficiaries, staff and partners, as appropriate. Overall, the evaluation team reviewed a portfolio of 40 selected projects implemented over the current and previous programme cycles (see Annex 5). The selection criteria included budget, balance in programme components, and the availability of lessons learned. Data and information collected from various sources and means were triangulated to strengthen the validity of findings.

To help assess the country office's operational and programme management capacity and efficiency,

the IEO benefitted from inputs from UNDP's Office of Audit and Investigations team, which audited the Bhutan country office from 4 to 14 July 2017. The IEO used the audit's planning documents to identify key efficiency areas and organizational processes that potentially affected UNDP's programme.

The evaluation relied on a contribution analysis approach, focused on understanding the linkages of observed results, with limited counterfactual analysis, without experimental control rigour. To strengthen methodological rigour, the team used causal tracing strategies for a non-experimental design. These consisted of arguments for causal relations, when possible, trying to logically rule out alternative or rival explanations, seeking evidence through temporal precedence,¹⁴ constant conjunctions,¹⁵ the strength of associations,¹⁶ biological gradient,¹⁷ coherence¹⁸ and analogies.¹⁹

The IEO and the country office identified a list of background and programme-related documents. The following secondary data were reviewed: background documents on the national context and documents prepared by international partners during the period under review and documents prepared by UN system agencies; programme plans and frameworks; progress reports; monitoring self-assessments, such as the yearly UNDP *Results-Oriented Annual Reports*; and evaluations conducted by the country office and partners. Analysis was based on triangulation and synthesis from all these data sources, together with interviews and focus group data.

13 UNDP's gender marker is a tool that requires managers to rate projects against a four-point scale indicating their contribution towards the achievement of gender equality.

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

15 The effect was observed everywhere the intervention was implemented.

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

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

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

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

Evaluation process and management: The evaluation preparation and design started in May 2017. In June, the evaluation team members conducted a desk review of reference material and prepared a summary of the context and other evaluative evidence. They also identified the outcomes' theories of change, along with outcome-specific evaluation questions, gaps and issues that would require validation during the field-based phase of data collection. Data collection was carried out in July, after which outcome analysis papers were prepared and synthesized into a draft evaluation report in August. The draft report was internally reviewed in September by the IEO peer review committee and the International Evaluation Advisory Panel members assigned to this evaluation, then shared with the country office and UNDP's Regional Bureau for Asia and the Pacific in October 2017. The revised report and an audit trail of comments were shared with the country office and the regional bureau in November 2017. The semi-final draft report was shared with national stakeholders, and a joint stakeholder workshop was organized through a videoconference in December 2017, co-hosted by the Government of Bhutan, UNDP Bhutan and the IEO. The management response to the recommendations was prepared by the UNDP country office and regional bureau, and the report was finalized after comments from the stakeholders were considered.

1.5 STUDY LIMITATIONS

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

1.6 ORGANIZATION OF THE REPORT

Following this chapter, the report contains a description of results in terms of the effectiveness of UNDP's contribution to development results (chapter 2) and to the quality of UNDP's contribution in terms of relevance, efficiency and sustainability (chapter 3). The report subsequently presents an analysis of the strategic positioning of UNDP (chapter 4), along with conclusions, recommendations and management response (chapter 5).

Chapter 2

EFFECTIVENESS OF UNDP'S CONTRIBUTIONS TO DEVELOPMENT RESULTS

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

2.1 SUSTAINABLE DEVELOPMENT

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

UNDP contributions to sustainable development in pursuit of CCPD outcome 1 has focused on interventions in support of poverty reduction and livelihoods, environmental sustainability, climate change adaptation/mitigation, and disaster risk management. It includes aspects of the relationship between poverty and environment, and how climate and disaster resilience affect poverty and employment opportunities, as well as green, equitable, inclusive economic growth, particularly for

vulnerable groups, with special attention to gender equality and women's empowerment.

According to the CCPD, as a contribution to achieving **outcome 1**, UNDP was to provide policy support, capacity development and innovative actions for natural resource management, increased trade opportunities and access to sustainable employment. Linkages between environmental management and income generation would be strengthened by promoting green businesses and income-generating opportunities, with particular attention to improving the lives of vulnerable people, including youth and women, in partnership with the Government, civil society and the private sector. Targeted rural communities would be provided access to knowledge and skills to develop business plans as well as micro-credit and market opportunities. Institutional capacity would be strengthened to develop value chains to promote Bhutanese products, trade diversification and inclusive growth.

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

UNDP has been effective in helping Bhutan respond to the challenges of environmental conservation and sustainability by aiming to strike a balance between upstream policy work and

on-the-ground project interventions. UNDP successfully partnered with the Department of Renewable Energy (DRE) to conceive and implement sustainable rural biomass energy initiatives through community-based technological interventions. UNDP and DRE have contributed to the development of a Renewable Energy Master Plan for the Royal Government of Bhutan, together with efforts to improve the knowledge, awareness and capacities of policymakers on renewable energy. These initiatives achieved good results in mitigating greenhouse gas emissions and reducing fuelwood consumption in rural households. An estimated 161,343 tons of fuelwood have been saved through provision of fuel-efficient stoves. This amounts to around 17.7 percent of the country's total annual fuelwood consumption.²⁰ In addition, more than 110 hectares of fuelwood plantations were secured. These initiatives are expected to have particularly benefitted rural women, who generally bear the responsibility for cooking and fuelwood collection.

UNDP has also been effective in helping to enhance agrobiodiversity conservation through a combination of scientific, policy and social interventions through the Integrated Livestock and Crop Conservation Project (ILCCP). The project helped to build awareness of the importance of Bhutan's indigenous agrobiodiversity and strengthened Bhutan's policy framework and institutional capacity to conserve it. One of the key results of the project was the formulation of a National Food Security and Nutrition Policy, which covers key areas for mainstreaming agrobiodiversity into public and private sector agricultural initiatives. By helping to increase yields and develop more diversified products and markets, the policy has helped make traditional crops and livestock breeds more attractive to farmers. The ILCCP linked conservation of traditional crop varieties (such

as buckwheat in Bumthang) with income generation through a community-based approach involving collective production, marketing and income management.

UNDP's work to enhance access to genetic resources and benefit sharing (ABS) from commercial utilization has significantly contributed to promoting the conservation and sustainable use of biodiversity, including traditional knowledge, through sharing of subsequent economic benefits. This resulted in the development of a national interim ABS policy in 2015 and a Biodiversity Bill of Bhutan in 2016, in line with the National Biodiversity Strategy and Action Plan 2014 and the Nagoya Protocol. These efforts helped build national capacities related to biodiversity. They also promoted engagement with communities, private sector companies and research organizations to strengthen natural resource management and increase opportunities to prosper from traditional knowledge and sustainable use of biological resources.

UNDP has also effectively collaborated with the Government to address climate-change adaptation priorities identified through the process of the National Adaptation Programme of Action (NAPA), first completed in 2006 and subsequently updated in 2012. With support from UNDP, the NAPA process was led and coordinated by the National Environment Commission, closely engaging various stakeholders. A trilogy of NAPA projects was conceived and funds mobilized for their implementation. The NAPA I project was active from 2008 to 2012, the NAPA II project commenced in 2014 and is ongoing, and the NAPA III project was launched in November 2017.

Finding 2: With limited resources to be allocated towards employment opportunities for vulnerable groups, UNDP has been less effec-

²⁰ According to the fuelwood consumption assessment and baseline health impact study commissioned by the Sustainable Rural Biomass Energy Project, per capita annual fuelwood consumption was estimated at 1.17 tons. This translates to total annual fuelwood consumption of 912,209 tons, based on the 2017 projected population figure of the National Statistics Bureau.

tive in significantly impacting national unemployment figures. Nevertheless, investing in multidimensional approaches to integrate/mainstream poverty reduction and livelihood issues in environment, climate change and disaster risk reduction projects helped to create some self-employment opportunities and enhance livelihoods in rural areas, especially for women.

Despite UNDP efforts, together with Government and other partners, to promote more pro-poor and gender-sensitive trade and employment opportunities, national unemployment figures have progressed at a slow pace, in a context where the country's private sector is still predominantly dependent on the State for its survival. The UNDP outcome indicator for youth unemployment in the CCPD 2014–2018 had a target of 5 percent (for both men and women) against a baseline of 7.3 percent for men and 7.2 percent for women. Youth unemployment grew to 10.7 percent (8.2 percent for men and 12.7 percent for women) as of 2015.²¹

UNDP contributions to promoting access specifically to sustainable employment have been more thinly resourced, fragmented and largely ad hoc. Only about 13 percent of the sustainable development projects and 8.5 percent of the resources mobilized for the sustainable development outcome pertained specifically to employment generation. This limited resource was spread across a wide range of relevant but small-scale activities. Nevertheless, projects in environment and other areas contributed by using multidimensional approaches focusing on support for livelihoods based on renewable natural resources to generate employment opportunities, particularly for women in rural areas.

Statistically, unemployment is predominantly an urban issue, with a 6.3 percent unemployment rate

in urban areas compared to 1 percent in rural areas (taking into account that farmers in rural areas, being self-employed, do not fall into unemployment statistics). Nevertheless, UNDP projects for poverty reduction and livelihoods have focused on rural communities, where the majority of poor and vulnerable women and men still reside. Agriculture provides livelihoods for 60 percent of people in Bhutan, farmers are the poorest and 'least happy' in Bhutan, more women are employed in agriculture than men, and women are 'less happy' than men overall in Bhutan.²² UNDP's assumption was that targeted interventions to ensure that no one is left behind would need to focus on improving the livelihoods of the poorest – most likely those currently outside formal job statistics – while at the same time seeking to support the creation of new formal jobs.

UNDP's work has tended to focus on creating self-employment opportunities and ensuring livelihood security. For example, more than US\$4 million was spent on landslide stabilization work at Phuntsholing, safeguarding the most important economic corridor. Likewise, work on glacial lake outburst floods has ensured the livelihood security of farmers in Punakha, Wangdi Phodrang and the low-lying areas of Dagana District, including safeguarding the lives and economic assets of the urban and rural communities in Punakha and Wangdi. UNDP's NAPA III now includes a \$10 million livelihoods component, focusing on strengthening the resilience of and options for community livelihoods, to build better market access, branding, skills and value chains towards the creation of more formal employment opportunities.

Other key initiatives included: collaboration with the Ministry of Labour and Human Resources on a Millennium Development Goal (MDG) Acceleration Framework for Youth Employment; employment-generation initiatives focusing on

21 Bhutan Ministry of Labour and Human Resources, *Labour Force Survey Report 2015*.

22 'A Compass Towards a Just and Harmonious Society: 2015 Gross National Happiness Survey Report'. Available from <http://www.grossnationalhappiness.com/wp-content/uploads/2017/01/Final-GNH-Report-jp-21.3.17-ilovepdf-compressed.pdf>.

vocational training, multisectoral advocacy and awareness of entrepreneurship, and training of ministry staff in policy analysis and strategic planning; and support for labour market analysis and studies, project proposal development for village-based innovative income-generating activities, raw material banks for arts and crafts, marketing promotion, revision of the Brand Bhutan Strategy, including value chain analysis of handicraft products, advocacy and marketing assessment of Seal of Quality/Seal of Excellence. Training on business plan development and capacity development of local artisans and producers also received support.

In spite of its limited resources, UNDP has demonstrated capacity to mobilize resources in a difficult environment and adopt a more multi-dimensional approach to how those resources are deployed and managed to achieve results, in line with what is demanded by the integrated nature of the SDGs. There was good integration of livelihoods and poverty reduction elements in climate change and environmental initiatives in terms of the design of interventions and site selection. The larger projects have been particularly subjected to social and environmental screening to ensure that interventions were designed to contribute to enhanced socio-economic benefits for local communities, especially the poor and vulnerable, including women, while mitigating potentially adverse impacts on these groups.

The UNDP/UN Environment Programme (UNEP) Poverty-Environment Initiative (PEI) has been particularly effective in working with the Gross National Happiness Commission and the Department of Local Governance to enhance capacity for mainstreaming. A central-level Mainstreaming Reference Group (MRG) was formed and its capacity strengthened to sensitize and guide sectoral and local government officials and to facilitate the mainstreaming of gender,

environment, climate change, disasters and poverty²³ in central, sectoral and local development plans. This contributed to the development of an environment/climate/poverty-mainstreamed 'green' 11th Five-Year Plan. The MRG mechanism is being passed down to the subnational level with the formation of *dzongkhag* MRGs in all the *dzongkhags* and support to implementation of MRG Action Plans in 10 selected *dzongkhags*. However, a clear and firm institutional framework and in-depth hands-on knowledge and skills are currently lacking for the MRG mechanism to function effectively at the subnational/local level. The PEI has also been supporting the Gross National Happiness Commission with its Rural Economic Advancement Programme since the previous 10th Five-Year Plan. The objective is to reduce extreme poverty among the poorest of poor communities through village development planning and interventions to enhance income generation and productive capacities, focusing on agriculture-based livelihoods through input supply, market access and community skills development.

A key factor that could be influencing the limited progress of UNDP towards a more significant contribution to addressing unemployment in Bhutan, and should be further studied, is the fact that Bhutan still has a State-centric, small and relatively underdeveloped private sector. Unleashing its growth potential will require identifying and acting on key constraints to its development. There is a role for the United Nations in supporting the development of the private sector, particularly cottage, small and medium enterprises, for increased employment opportunities and poverty reduction impact. NAPA III has been designed accordingly to enhance community livelihoods and renewable natural resources-based employment, as well as the UNDP country office's new pipeline of social-impact investment projects, commencing with collaboration with the

23 'Gender, environment, climate change, disaster and poverty' refers to a set of cross-cutting issues for mainstreaming in development policies, plans and programmes at central and local levels. (Support and multi-donor funding, including from UNDP core resources, were provided through the UNDP/UNEP Poverty-Environment Initiative).

Tarayana Foundation.²⁴ There is also space to collaborate with the nascent private sector to support its responsible growth – as in the case of UNDP collaboration with Bio Bhutan and Menzhong Pharmaceuticals in the Access to Genetic Resources and Benefit Sharing project. However, more needs to be done in this space, which should be further explored by the country office.

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

By mobilizing resources from the trust funds managed by the Global Environment Facility (GEF), UNDP has made significant contributions to implement climate change adaptation priorities. UNDP has also shown a high level of responsiveness to disaster events. It provided expeditious support for recovery and reconstruction in the aftermath of earthquakes in 2009 and 2011, and rapid post-disaster needs assessment and recovery of the Gelephu infiltration gallery that was damaged by floods in the summer of 2016.

NAPA I addressed climate change risks and vulnerabilities from glacial lake outburst floods in Punakha-Wangdue and Chamkhar valleys. In addition, it effectively demonstrated how such flood risks and vulnerabilities can be significantly reduced by artificial lowering of the potentially dangerous Thorthormi glacial lake, institution of automated early warning systems, and strength-

ening capacity for community-based disaster risk management.

NAPA II, which is ongoing, is implementing geotechnical engineering works to mitigate major landslide and flood risks in the Phuentsholing/Pasakha economic hub, and conducting geotechnical assessments in selected areas, which are highly prone to recurrent landslides. It has instituted climate-resilient water harvesting systems in 20 water-scarce communities, and has set up a countrywide network of 99 automated hydrometeorological stations, significantly improving the national capacity for weather information, forecasting and early warning.

Building on the results of NAPA I and II, NAPA III recently received GEF approval and has been designed to integrate climate change adaptation, biodiversity conservation and livelihood objectives using a landscape-based approach.²⁵ This is aimed at enhancing environmental sustainability and the climate resilience of agricultural and forest landscapes, along with community livelihoods. The project has three main components: 1) strengthening planning, monitoring and institutional frameworks and capacity for environmentally sustainable and climate-resilient management of agricultural and forest landscapes, 2) improving management of biological corridors and protected areas in the project landscapes for enhanced climate resilience and ecological functionality, and 3) fostering community livelihoods that are environmentally sustainable and resilient to climate adversities, including through sustainable land management and climate-smart practices, enhanced value chains and access to markets, and mitigation of risks and impacts of

24 A UN Social Impact Fund (UNSIF) proposal under consideration for funding envisions collaboration between UNDP and Tarayana Rural Crafts (TRC) to scale up artisan support projects in operation for four years now. A sustainability plan was developed to wean this initiative from the foundation's core resources to operate and manage as a social enterprise. This project aims to transform the existing TRC into a self-sustaining enterprise that will eventually have positive impact on rural communities.

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

crop and livestock damages by extreme climatic events and wildlife incursions.

Finding 4: In particular, gender equality and women's empowerment has been better mainstreamed in the sustainable development area when compared to previous years, especially in the larger projects, such as those supported by the GEF.

Gender analysis of project design has been carried out by the country office, including through the screening of project activities for potential gender issues. This led to the development of a gender strategy to guide project implementation and monitoring of project results. Where relevant, project results frameworks included gender-based indicators and gender-disaggregated data requirements.

Several sustainable development projects focus on water, energy, natural resource management and agricultural livelihoods. These are issues that have a greater impact on women's than men's day-to-day lives. Project site visits and interactions with project stakeholders during the evaluation mission suggested that UNDP projects, such as the ILCCP, ABS, SRBE and the rural water harvesting component of NAPA II, followed gender-sensitive and, in certain cases, highly pro-women approaches to project implementation. At the community level, many of the UNDP projects, which have rural livelihoods components, engaged with local community groups and cooperatives. There is strong representation by women in these groups and cooperatives: 2013 statistics compiled by the Department of Agricultural Marketing and Cooperatives show that women make up 46.9 percent of the members in the registered local farmers groups and cooperatives.

Gender mainstreaming is also being strongly pursued through the support of the UNDP/UNEP Poverty-Environment Initiative. This support has led to the formation of Mainstream-

ing Reference Groups at the central and district levels. The MRGs have been formed with the purpose of advising and advocating for the mainstreaming of cross-cutting issues (gender, environment, climate change, disaster and poverty) in policies, plans and programmes at the national, sectoral and local levels. The MRGs have a gender focal person, who has the primary responsibility to ensure that development policies, plans and programmes at their respective levels are gender-sensitive and address gender issues where they are relevant.

2.2 DEMOCRATIC GOVERNANCE

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

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

According to the CCPD for 2014–2018, as a contribution to **outcome 3**, UNDP would provide support to: strengthen the legal and policy environment for advancing the rights and protection of women; strengthen gender mainstreaming in key ministries, autonomous bodies, non-governmental organizations and private companies; and increase awareness among boys, men, girls and women in preventing and eliminating gender-based violence.²⁶

Finding 5: UNDP has been effective in strengthening laws and policies to address gender discrimination, sensitizing Parliament and building the capacity of the Royal Audit

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

Authorities for auditing from a gender perspective. UNDP has been less successful in significantly impacting women’s participation in the political process and in decision-making positions in the civil service system.

UNDP was particularly well regarded by its partners in Government and civil society for the role it played in facilitating and aiding Bhutan’s ratification of the Convention on the Elimination of All Forms of Discrimination against Women. Subsequently, UNDP was key in strengthening laws to address gender discrimination.²⁷ For example, UNDP supported a national action plan on women’s participation in politics from 2008 to 2013, along with the development of a baseline study on gender-sensitive policies, which pointed out that over 50 percent of the 23 policies under review made no reference to gender. UNDP is currently supporting the formulation of Bhutan’s first Gender Equality Policy with the National Commission for Women and Children, which will serve as an umbrella policy to address gender gaps.

UNDP was also key in helping sensitize Parliament to the need for gender-based budgeting and its role in overseeing it. As a result, the Parliament is scheduled to review the extent to which government agencies have incorporated the principle of gender-responsive planning and budgeting into their plans. Complementing these actions, UNDP and UN Women have collaborated to build the Royal Audit Authority’s capacity for auditing from a gender perspective.

Increased awareness of gender-responsive governance and the integration of gender issues into reviewed local development plans were also noted, especially the attempt to integrate climate change, environment, disaster management, gender and poverty into local planning.

UNDP, in collaboration with other development partners, supported the Bhutan Institute for Training and Development (BITAD) to provide

leadership training to local officials and community leaders. One of the programme objectives was to encourage and enhance the public speaking skills of participants, especially women, in local government elections for 2016.

The Institute for Gross National Happiness Studies received support from UN Women, through UNDP, to conduct research on women in the political process. UNDP later supported the institute in developing a training course based on that study, to support women participating in the 2016 elections. The training course focused on communication skills as well as knowledge of policies, law, elections and foreign relations.

UNDP’s technical and financial support contributed to modest improvements in 2016 in the participation of youth and women in local and national decision-making. The female voter turnout in the local governance election that year was nearly 49 percent; and of 1,423 candidates, women represented 11.4 percent in 2016 versus 5.1 percent in 2011. Further exploration is needed to understand why women are not voting for women.

Policy and legislative progress on aspects of gender equality and women’s empowerment has progressed well. Bhutan surpassed the 2018 CPD target of having three gender responsive laws and policies in place. Today’s figure of eight includes the Domestic Violence Prevention and Child Care Protection Acts, instruments developed with support from UNDP that should help Bhutan reduce the prevalence and acceptance rates of domestic violence. The importance of gender equality is better understood, including through UNDP advocacy for the SDGs, illustrated by the decision to include ‘gender equality promoted, women and girls empowered’ as one of 16 national key results areas in the draft of the 12th Five-Year Plan. UNDP’s collaboration with the Department of Local Governance of the Ministry of Home and Cultural Affairs contributed to an increase in the number of women elected

²⁷ It was not possible to rigorously assess the effectiveness of these laws in this assessment.

in local elections in 2016. That year also saw the approval by the Royal Government of Bhutan of six months' maternity leave, thereby implementing one of the National Gender Action Plan recommendations developed with UNDP's financial and technical support.

However, and in part because of the longer time frame necessary for mindsets to change, these outcome results are not yet translating into impact. In 2016, Bhutan ranked 121st out of 144 countries in the *Global Gender Gap Report*, on account of gender disparities in health, education, economy and politics. Gender disparities were also noted in the *Gross National Happiness Survey Report*, which found men to be 'happier' than women. In 2013, Bhutan ranked 93rd among 136 countries in the *Global Gender Gap Report*. Over the subsequent years, the workforce gender gap widened while women's acceptance rate of domestic violence increased from 68 percent to 74 percent. This underscores the importance of UNDP's continued commitment to gender equality and empowerment in Bhutan.

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

To support Bhutan's Domestic Violence Prevention Act, UNDP has partnered with a non-governmental organization called RENEW and its community-based service system to furnish rooms in 'safe houses' used as shelters for victims of domestic violence in selected districts. Between 2015 and 2017, the safe house in Bumthang accommodated 15 survivors of domestic violence, seven of whom were transferred to a permanent shelter run by RENEW in Thimphu. UNDP's close collaboration with RENEW also consolidated the organization's effort to raise awareness of gender-based violence by training its trainers and helping them reach a larger audience.

UNDP's contributions to shelter victims of domestic violence in Bumthang call for further attention to the consolidation of links between combating gender-based violence with follow-up poverty reduction and income-generation activities that will help empower victims. The majority of victims came from poor families. This synergy between combating gender-based violence and multidimensional poverty reduction is unclear in UNDP's approach and strategy.

Similarly, UNDP support to a weaving group at the Dorjibi Centre raises the question of how to systematically support an informal collaboration group with capital and managerial skills that will sustain and grow their income-generating activities. Overall, initial results in themselves are not sufficient to promote economic empowerment unless there are deliberate interventions specifically designed for these purposes. The UN Social Impact Fund proposal mentioned above is an indication of how UNDP will try to address that.

Mobilizing resources for gender-based violence has been challenging for UNDP and for the UN as a whole. With what UNDP mobilized, critical components have been addressed, including training on the issue for policymakers and the judiciary, supporting the formulation of Bhutan's first Gender Equality Policy, and initiating the first national prevalence survey on gender-based violence in 2016 and 2017, which will be finalized in 2018. Still, from the community perspective, linking action against gender-based violence with economic empowerment is a dimension that has yet to be effectively enforced.

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

Over a nine-year period from 2008 to 2017, UNDP has adopted a dual strategy of supporting democratic governance and local governance

for sustainable development. This dual strategy focuses on exercising democratic principles with emphasis on evidence-based policymaking, inclusiveness, transparency and accountability, on the one hand, and an emphasis on the governance system's contributions to development goals such as poverty reduction, the MDGs and the SDGs, on the other.

UNDP support has strengthened Bhutan's evidence-based decision-making and results-based policy and plan development within the framework of Bhutan's gross national happiness objectives as well as the MDGs and SDGs. Evidence-based policymaking is reflected in UNDP's support for the preparation of baseline studies to serve as inputs for policy- and law-making related to fiscal decentralization, strategic development in the justice sector, legal aid, vulnerability, and gender equality. UNDP has strengthened the results-based monitoring system from Bhutan's 11th Five-Year Plan, supporting the integration of gross national happiness indicators into sector-level plans. For the 12th Five-Year Plan, UNDP focused on the localization of the SDGs, the mapping of data sources, and alignment of SDG and gross national happiness indicators. UNDP supported the establishment of the Institute for Gross National Happiness Studies to serve as a think tank in policy research and training. This had the effect of consolidating the use of an evidence-based approach in policymaking.

In contributing to **Outcome 4**, UNDP was to support key systems of national and local institutions to strengthen effective management of public finance, integrated monitoring of plans and programmes and evidence-based decision-making; central and local governments in becoming better able to deliver effective, equitable public services; women and youth to increase their opportunities to participate in leadership, policymaking, and the planning and implementation of development plans; media and CSOs to be better able to promote the participation of women and men in public decision-making; as well as increased access to formal and informal justice redress mechanisms.

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

UNDP has successfully promoted the informed and inclusive participation of more civil society members in policy discussions by developing the capacities of Bhutanese think tanks, academia and the media, along with voter and civic education in urban and rural areas. This has contributed to a more gender-responsive and equitable participation of women and youth in decision-making processes at national and local levels.

To contribute to nationwide transparency, accountability and anti-corruption efforts, and efficient, effective public service delivery with sound financial management practices, UNDP has effectively partnered with CSOs in promoting people's rights to information and in promoting e-governance at local and national levels. UNDP's key achievement is the setting up of Virtual Zomdu (video conferencing) in communities nationwide to connect voters with the Parliament.

To improve justice sector coordination and promote access to legal aid in Bhutan, UNDP has worked to mainstream improved access to justice in the country's 12th Five-Year Plan. UNDP's advocacy and technical support led to Bhutan's first justice sector-wide planning workshop, an effort that resulted in a draft White Paper on Justice, used by the Gross National Happiness Commission as the basis for a national key result area for the 12th Five-Year Plan: 'Justice services

and institutions strengthened'. UNDP has also been supporting the Office of the Attorney General to develop an Action Plan for Legal Aid – a strengthened legal system that is expected to improve people's access to legal advisory services and representation in the courts.

UNDP has strengthened the organization of the local governance system. This was achieved through support to the Department of Local Governance, local elections in 2011, and the designation of 'Class A' municipalities with elected mayors in 2011. UNDP's continued technical support to fiscal decentralization provides evidence-based inputs for the government's decision-making process through baseline studies. These studies include recommendations on possible revenue sources at the local level, along with mechanisms for equalizing central government budget allocations.

UNDP's work in decentralization has also helped empower communities and increase their resilience to external shocks and natural hazards. UNDP's support, particularly for integrated planning at the subnational level, yielded results that have both raised awareness of local communities about sustainable development and improved their livelihoods, as mentioned in the previous section. Nevertheless, approaches used still lack a more systematic institutional reinforcement in the form of public-sector units with the responsibility to work on gender, disaster-management, environmental, and poverty concerns. It is not clear how MRG and district-level plans, for example, which are currently conceived, implemented and monitored separately from one another, may be fully integrated within a unified plan.

UNDP has been particularly effective in helping Government strengthen its evidence-based decision-making and results-based policy and plan development of legal frameworks within the frameworks of Bhutan's gross national happiness objectives, as well as the MDGs and SDGs. Evidence-based policymaking is well reflected in UNDP's support for the preparation

of baseline studies to serve as inputs for policy- and law-making related to fiscal decentralization, strategic development in the justice sector, legal aid, vulnerability and gender equality. Furthermore, UNDP was key in establishing the Institute for Gross National Happiness Studies, to serve as a think tank in policy research and training. This has had the effect of consolidating the use of an evidence-based approach in policymaking. UNDP has also strengthened the results-based monitoring system of Bhutan's 11th Five-Year Plan, supporting the integration of gross national happiness indicators into sector-level plans. For the 12th Five-Year Plan, UNDP supported the mapping of data sources and alignment of SDG and gross national happiness indicators.

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

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

UNDP was also innovative in promoting an e-governance option for citizens' access to administrative services, although the results were mixed. Through its Democratic Governance Thematic Trust Fund, UNDP helped to enhance Government to citizen service delivery by connecting the remote areas of Bhutan through e-governance,

establishing a web portal and a voice-of-customer portal²⁸ to provide online administrative services and monitor citizens' feedback and grievances at community service centres located at the village level. UNDP also trained local service providers at national, *dzongkhag*, and *gewog* levels. A number of issues presented challenges in terms of streamlining services from the parent organization to the endpoint. For example, unreliable Internet connectivity and requirements for approvals and signatures for some services have jeopardized uptake by citizens, leading them at times to prefer services that are processed manually rather than through e-governance. The Virtual Zomdu, which connects elected representatives and people living in remote and rural parts of the country, has been more successful; it serves as a vital channel for face-to-face communication and interaction.

Though limited in terms of resources, duration and sustainability, support to the Election Commission of Bhutan during the initial years after democratic transition in 2008 was crucial. It helped the Commission to temporarily meet its capacity development needs, particularly in its training of political parties. Nevertheless, turnover of staff is high and the limited sustainability of the results put the investment in question; without a more holistic approach, UNDP was not able to help address the high turnover.

UNDP's support to the Royal Audit Authority and the Anti-Corruption Commission also contributed to effectively strengthening the work of the Parliament's Public Account Committee and Good Governance Committee, both of which review audit and anti-corruption reports, respectively, and helped to strengthen Bhutan's democratic transition. UNDP support to the Royal Audit Authority focused on audit capacity building, including auditing from a gender perspective. UNDP's initial support to the

Anti-Corruption Commission from 2008–2012 strengthened the agency's capacities during its initial years. The support exposed the agency to international practices and the development of an anti-corruption strategy that was officially promulgated in 2009. These interventions serve as the foundation for subsequent institutional capacity development. With a 2016 score of 65 on the Transparency International's corruption perceptions index, Bhutan currently ranks 27th on the organization's index and is the sixth best performer in Asia.

UNDP's recent support to the Office of the Attorney General has strengthened its institutional capacity, which is key for its coordination role in implementing SDG 16. The Office has developed its strategic plan and will coordinate the development of a justice sector strategy. It is expected that justice sector coordination will contribute to improved case management, transparency and accountability. Furthermore, UNDP supported a symposium on legal aid that later resulted in the drafting of a policy guideline that is intended to be the basis for developing a full-fledged legal framework.

Finding 9: UNDP has successfully partnered with CSOs as effective channels to promote democratic principles and to respond to the needs of vulnerable groups; CSOs have also helped bring about positive humanitarian and development results at the local level.

The development role of CSOs is now clearly recognized in Bhutan. This recognition was reaffirmed in 2016, when His Majesty the Fifth King awarded CSOs the National Order of Merit (Gold). The award was a critical factor in UNDP's successful engagement with CSOs in Bhutan. Existing partnerships have subsequently noted greater adaptability and responsiveness from CSOs to grass-roots level issues.

28 The following were the first e-governance services that would be offered: 1) civil registration, 2) employment, 3) agriculture and forestry services, 4) education, 5) rural insurance and 6) business licenses. Although all services were available on the portal, they were not necessarily supported by the administrations (service providers) themselves. However, UNDP activities were mostly limited to raising awareness of citizens and training service providers on e-governance.

UNDP partnered with Tarayana Foundation to assess the availability of local sustainable water sources and to understand the impact of climate change on their availability. The CSO analysed the use and demand of water at the community level in several localities. Based on the assessments, water management communities have been established for improved harvesting, storage and distribution of water. This partnership with Tarayana was accomplished within the framework of NAPA II, and showed that even with a limited financial contribution, UNDP could help leverage indigenous knowledge for activities that have a concrete positive impact on the reduction of multidimensional poverty in local communities. This includes the well-being and empowerment of women, who are traditionally responsible for water collection, household sanitation, cooking and care of children.

UNDP's close collaboration with RENEW consolidated the organization's efforts to raise awareness of gender-based violence by training trainers and helping them reach a larger audience. When the CSO faced challenging situations in approaching cases of abuse and violence, UNDP was also able to provide key support on legal advice. The Gross National Happiness Commission and UNDP also supported Bhutan's lesbian, gay, bisexual and transgender (LGBT) community to interact with peers in a global forum and with Parliament. This helped raise understanding of issues concerning the LGBT community and how lawmakers can make a difference, strengthening the capacity of excluded groups to engage in development.

Furthermore, UNDP, through the United Nations Democracy Fund, has also supported the Bhutan Centre for Media and Democracy (BCMD), a CSO established to educate the media, youth and civil society on the concepts of democracy. The work with BCMD introduced Bhutan's citizenry to central democratic ideas such as public space, the role of the independent media, citizenship, the culture of democracy, public service media, and the need for an open society in

an evolving democracy. UNDP support in turn helped improve the capacities of BCMD, raising the awareness of grassroots-level officials to the need for information disclosure, thereby shoring up transparency and accountability in local governance. BCMD also trained media personnel in investigative journalism to encourage reporting on local governance and development. Despite all these efforts, the absence of a legal framework for access to information still limits the scope of disclosure at the local level, and BCMD failed to integrate gender into its campaigns and training.

In 2016, while supporting the Ministry of Health in implementing its programme under the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNDP worked with LGBT community structures to strengthen their capacity to communicate and collaborate, with a view to supporting access to voluntary testing and treatment for HIV. The LGBT community in Bhutan has started coming out and has successfully formed an informal network. Currently, it includes 44 self-identified members from various backgrounds, sexualities and gender identities/expressions. The network is currently under the guidance of Lhak-Sam (Network of Persons with HIV) and cannot be formalized given that the law cites 'sodomy' as an illegal practice. UNDP developed an online HIV intervention package, designed to reach key populations through social media such as Wee Chat, including young people, men who have sex with men and transgender groups. The aim was to make a safe space for peer support towards getting tested. The National HIV/AIDS and STD Control Programme (NACP), Lhak-Sam and partners raised awareness of HIV/AIDS prevention and care services and challenged the population, particularly adolescents, young people, and key groups (including those who are transgender and men who have sex with men), to 'Rethink HIV' and 'Know Your Status'. UNDP also supported a review of HIV and the related law for the first time, which supported lawmakers in better understanding LGBT-related issues, which are still considered as emerging in Bhutan.

THE QUALITY OF UNDP CONTRIBUTIONS

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

3.1 RELEVANCE OF UNDP PROGRAMMES AND APPROACHES

Finding 10: Overall, UNDP contributions have been highly relevant to the evolution of development in Bhutan. UNDP has operated in alignment with its own mandate as well as the overarching Bhutanese development concept and vision of gross national happiness, along with national needs and development goals, objectives and priorities, as expressed in Bhutan's five-year plans.

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

UNDP's work is also in line with its mission to reduce poverty and promote sustainable development. Increasingly, it is using a more holistic

and integrated approach to tackle the connected issues of multidimensional poverty, inequality and exclusion, climate and disaster risks, and environmental sustainability, while enhancing knowledge, skills and technologies to sustain development gains. Democratic governance projects focus on citizen participation, including women's participation in decision-making and development activities. Local governance for sustainable development addresses governance arrangements in guaranteeing basic human development needs such as livelihoods, safety, water, food, improved energy sources and access to and sustainable use of natural resources.

Nevertheless, it is not always clear whether the choices of sustainable livelihood improvement projects have been the most relevant or the best use of resources. The evaluation team found cases of very small projects, particularly those related to poverty reduction and employment, not properly approached for pilot purposes and without adequate measures for scalability. This resulted in small contributions spread thinly with limited impact and concern for sustainability.

Finding 11: In terms of the relevance of approaches taken, UNDP support has been consistent with the principles of national ownership and the multidimensional human development approach. Nevertheless, there is room for improvement in terms of overall programme strategies, ensuring a clear theory of change in each of the focus areas, and refining the documentation of results for improved learning²⁹ and effectiveness.

²⁹ Improved learning was recommended in the 2007 *Assessment of Development Results*, based on the opportunity UNDP Bhutan has to position itself as a knowledge centre to strengthen its role vis-à-vis Government. But it required formalizing and improving knowledge creation, management and dissemination as well as monitoring, synthesis of action research and evaluation lessons, which UNDP did not fully embrace.

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

Consultations with main stakeholders clearly indicate good dialogue between UNDP and partners, but such discussions do not always have a timely influence on policy. Government prefers its own experts' advice and is often reluctant to seek assistance from development partners. When it does, some parties interviewed voiced that they prefer international experts, even though they still value the trust developed with what they consider very capable national UNDP staff.

Staff seem closely connected at the various levels of programme implementation. However, the decreasing availability of core resources, due to Bhutan's graduation to MIC status, requires UNDP to assume even more direct relations with Government. It must also strategize its interventions and coordination with other UN agencies to be able to be kept at arm's length from the Government, for upstream and downstream contributions.

UNDP's multidimensional human development approach is apparent through its programmes' enhanced integration and mainstreaming efforts. Nevertheless, clear theories of change, needed to ensure the most adequate approaches and the sustainability of results, were absent.

Other limitations include the fact that resources are still thinly spread over a wide range of activities, particularly in the area of poverty reduction, livelihoods and sustainable employment. That said, some activities demonstrated value for the Government in replicating or scaling up through their own resources or other external funding. In other cases, initiatives appeared to have been guided by funding availability and particular demands from Government counterparts,

without a clearly defined strategy for change and without considering UNDP's comparative strengths against those of other UN agencies. Assumptions being used have not been tested for rigour, including the identification of change drivers and barriers. Furthermore, the documentation of lessons learned, learning mechanisms and the dissemination of lessons was limited. There have been considerable changes in personnel at the UNDP country office for the period under evaluation, affecting institutional memory and the whereabouts of data. Also, not all planned evaluations were conducted, limiting the possibility of further testing assumptions for improved effectiveness.

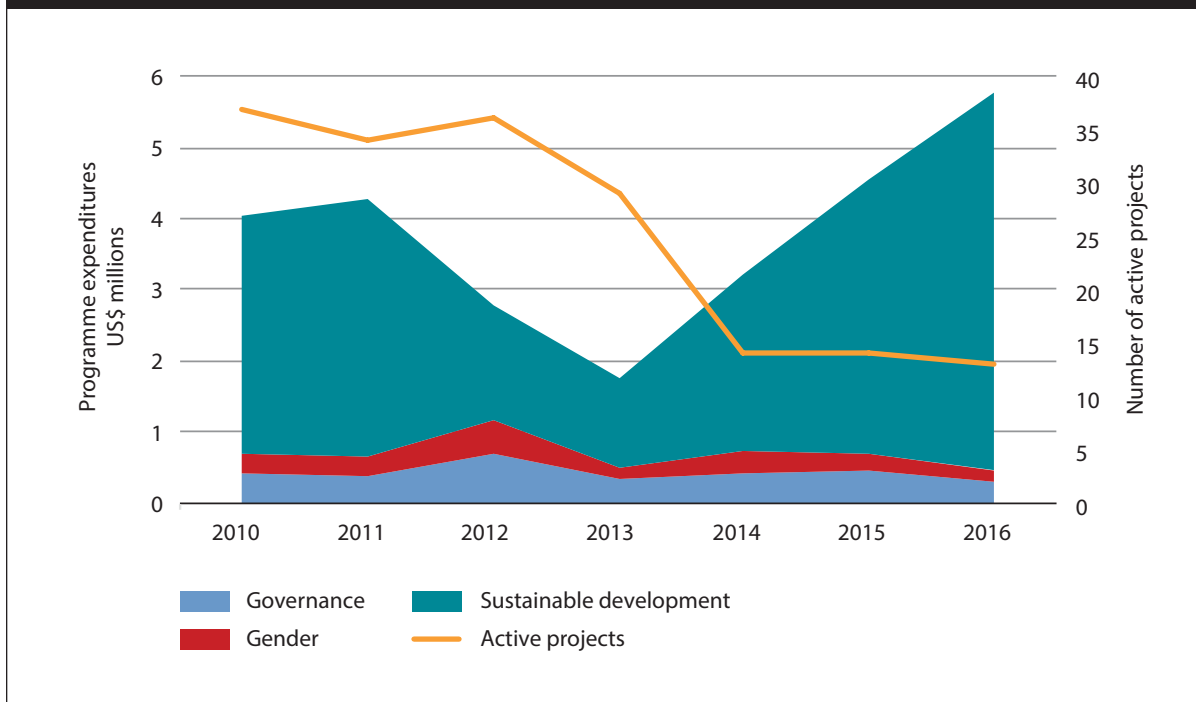
3.2 EFFICIENCY OF UNDP CONTRIBUTIONS

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

The gradual decrease in the number of active UNDP-supported projects – from 37 in 2010 to 13 in 2016 – has helped the country office deliver programmes more efficiently. At the same time, it has decreased project management costs and reduced the number of high transaction cost outputs with limited impact and scale. Having fewer but larger projects has encouraged the country office to become more adaptive to ensure timely delivery of activities and management of risks.

If reducing the number of projects can help decrease project management-related costs, UNDP must ensure that efforts to consolidate projects into one set of activities grouped under a common goal in UNDP's corporate planning and financial management system makes sense programmatically, and is supported by coherent design, monitoring and management arrangements. In the case

Figure 1. Programme expenditure, all projects, 2010-2016



of the governance projects³⁰ that were combined into one award in 2017, synergies between the access to justice and parliamentary projects could be established, although the connection between the health and HIV projects has not been evident given the projects' different objectives.

Overall, larger programmes have also contributed to integrating elements from other thematic areas, an illustration of the country office's efforts to move away from silos. For example, UNDP integrated livelihoods activities into sustainable environment projects and developed local institutional capacities through a climate adaptation project.

Finding 13: Projects have been better designed³¹ to achieve desired outcomes than in the past. However, weaknesses in project management, monitoring and evaluation have impeded better performance tracking, measurement of impacts and integration of lessons learned in future programmes.

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

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

30 Access to justice, parliamentary and health and HIV projects.

31 Project quality assurance indicates improvement.

Inconsistencies were also found between outcome indicators used in the country programme and annual work plans, and indicators used in project documents. Some indicators lack specificity, baseline information or updated data (see Annex 5 for more details).

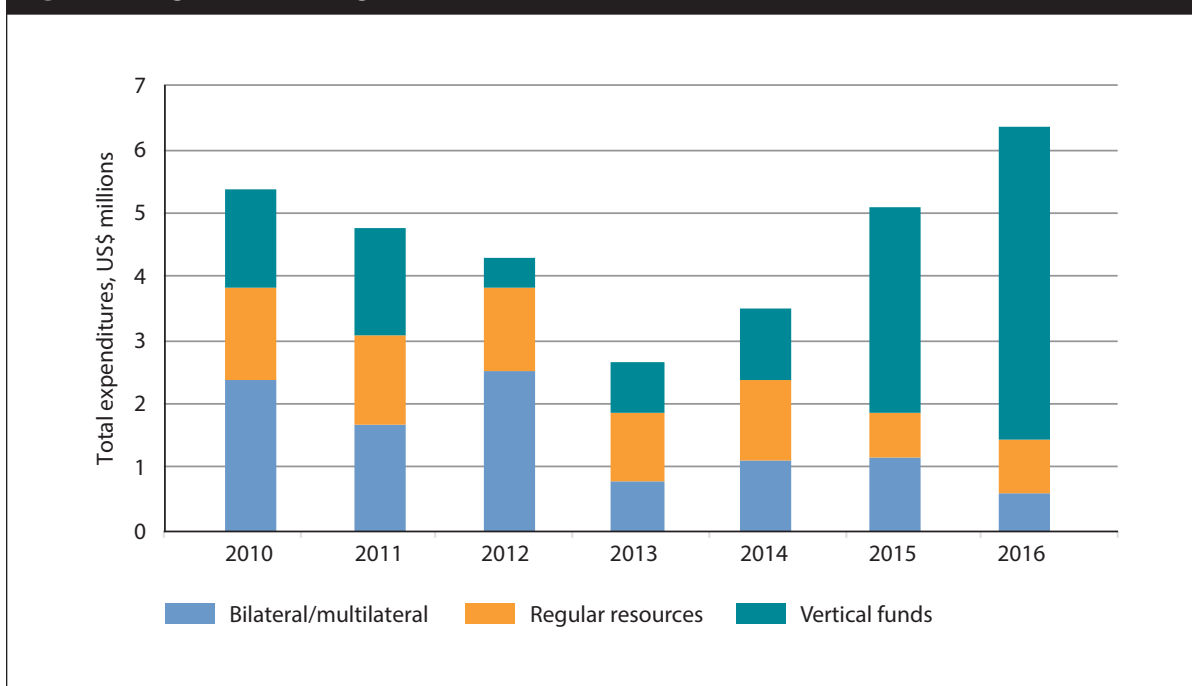
Finding 14: In terms of managerial efficiency, despite organizational constraints and the struggle to diversify funding sources to address the decline in core regular resources due to graduation to MIC status, UNDP has been able to improve its management efficiency ratios and, in 2016, reached its highest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

Core resources have been dramatically cut from an historically stable 30 percent or more of total programme expenditures to 14 percent today (between \$1.2 million and \$1.4 million to \$800,000 currently). Since Bhutan is likely to graduate from LDC status, bilateral and multilateral funding of projects has also suffered as traditional development donors leave the country. Subsequently, the country office has had to direct additional efforts towards resource mobilization.

A new resource mobilization strategy was developed in 2016, but the country office has faced challenges in implementing it, in creating the necessary incentives and in ensuring the proper training of select staff to mobilize resources effectively. Bhutan is still a highly grant-focused nation in terms of collaboration with external partners, with a very small and State-centric private sector and a very high debt-to-GDP ratio. Currently, as an LDC, Bhutan is very resistant to any form of financing development aside from grants.

The private sector is so small, and so State-dependent, that it has not offered much potential to date, but this is something that UNDP needs to continue to pursue as an office. Government cost-sharing has also been a challenge. Some UNDP staff do not understand well enough how Government cost-sharing works to be able to explain it properly to Government, and most government officials consulted either did not understand the funding mechanism or challenged its value added. Part of the resistance is the fact that Government, with LDC graduation in mind, is pressing hard for all remaining access to grants while it can. Until it is imper-

Figure 2. Programme funding sources, 2010-2016



ative to do so, it is not very likely to entertain other options. Still, UNDP has managed to make a dent in the process, with 1 percent delivery in 2016 through government cost-sharing. Negotiations over 18 months made this possible, resulting in an agreement among the Gross National Happiness Commission, the Ministry of Finance and the Ministry of Health on how to use the government cost-sharing mechanism to enable UNDP to provide services to the Ministry of Health in implementing its Global Fund project. The agreement with the Government is that such cost-sharing is possible where the primary funding source originates from a third party (in this case, Global Fund financing), not Bhutan's own domestic revenue.

The bigger challenge will be to shift Bhutan from being a grant recipient to a development partner in itself. To support this shift, UNDP's programmatic investment in understanding Bhutan's financing needs to meet the SDGs – particularly SDGs 1, 13 and 15, as prioritized by the Government – is important. The result will be a green investment plan to support the Government in mobilizing new domestic and international finance through green and innovative means, mitigating future expenditure, and increasing the efficiency of existing finance. UNDP is also leading the development of a Development Finance Assessment for Bhutan as part of the process of creating the new UN Development Assistance Framework (UNDAF). While the result will inform the development of a strong UNDAF, it should also be an important contribution to support new approaches to development finance in Bhutan.

Programme funding has been heavily skewed towards the environment and climate change area, largely due to the availability of international climate and environment financing, particularly from the GEF trust funds. Consequently, programme delivery depended mostly on vertical funding,³² with 77 percent of the delivery coming from vertical funds in 2016, and one project

alone accounting for 46 percent of the total delivery. More than 80 percent of the resources that UNDP mobilized over the past two programme cycles pertained to environment, energy and climate change projects. In contrast, only 8.5 percent of the resources were related to employment generation and improved livelihoods.

Aware of the potential risks linked to its dependence on one source of funds, the country office has made efforts to explore opportunities for government cost-sharing, with some limited success so far, and is seeking to provide a full assessment of current ODA and resource flows for further analysis. The country office has also managed to continue to attract funding from bilateral donors for non-environment projects, and is exploring other innovative financing options for its programmes. While the UNDP country office and Regional Bureau for Asia and the Pacific are closely monitoring the funding situation, success in addressing these resource mobilization challenges are imperative to sustain the current office structure.

Diminishing resources have had a significant impact on the office's management expenditures. The management-to-programme expenditure ratio was 20 to 30 percent between 2008 and 2012, and even went above 40 percent in 2013; it is now down to about 13 percent. The country office made organizational changes to reduce its management costs by abolishing several positions and merging some support positions, reducing the current operational team to its leanest. This has led to persistent situations of staff not being able to take leave, despite efforts recognized by staff. Part of the support function was to be taken over by the Global Shared Services Unit, but that has yet to operate properly. Efforts to improve work-life balance have been made; yearly staff training plans are being implemented to address organizational and capacity issues, and collaboration between operations and programme teams is being encouraged.

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

Management has also made efforts to reduce operational costs through the 2016–2018 Business Operations Strategy, a broadly valued effort by the UN country team to improve management of key operations and administrative resources. Although the document was only fully endorsed in July 2017, elements of the strategy have already been implemented and are showing results with a more efficient management of common services.

Efficiency gains were also expected to come from the clustering of services in the Global Shared Services Unit, which began in April 2016. The intention was to reduce the operational time devoted to transactions and increase the analytical capacity of country office staff. It is still relatively early to assess the effectiveness of this new arrangement, but so far there have been many problems and no evidence of improved efficiencies.³³ The country office has engaged with the UNDP Regional Hub and the Global Shared Services Unit to find solutions to address the issues, and its efforts are ongoing to assess the effectiveness of the clustering process.

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

In addition to specific outcomes addressing gender, UNDP Bhutan has progressed well in the implementation of its Gender Mainstreaming Strategy. Based on UNDP's global Gender Equality Strategy 2014–2017, the country office's Gender Mainstreaming Strategy aimed at being “a role model in advancing gender mainstream-

ing for [their] implementing partners – both the government and civil society in Bhutan, with its entire staff sensitized in gender issues, and their capacities enhanced to mainstream gender in both programme and operations while ensuring healthy work-life balance and gender parity at all levels.”³⁴

Gender-disaggregated data indicate that the distribution of staff is not at parity, with men considerably outnumbering women (22 to 13). Beyond a comparison of the number of men and women, the 2012 *UN Bhutan Gender Audit Report* indicated that, compared with other UN agencies, a higher proportion of UNDP staff members gave positive answers in terms of gender mainstreaming, including in the workplace, in programming and policy, and in the availability and quality of gender training. However, the UNDP 2016 Pulse Survey for Bhutan demonstrated that gender gaps still exist in certain empowerment indicators.

The country office has a gender focal point, who is the portfolio analyst for the inclusive governance programmes. In 2016, the office's energy and environment project officer participated in a three-day workshop in Bangkok called Gender Mainstreaming in Environment, Energy and Climate Change Programmes. Since 2013, the country office has had only one specific gender-related training course, which was conducted in 2017. However, no training on UNDP gender policy was carried out.

Scores on the gender marker (GEN) indicate that about 53 percent spending since 2010 has had a significant focus on gender programming. As an accountability tool for tracking UNDP's financial allocations and expenditures contributing to gender equality and women's empowerment, the gender marker provides a snapshot of how many gender-focused programmes are

33 Similar problems with the Global Shared Services Unit were identified in other countries, as documented in the recent Strategic Plan Evaluation.

34 UNDP Bhutan, 'Gender Mainstreaming Strategy 2013–2018'.

active in UNDP Bhutan.³⁵ The majority of the country's projects have some contribution to gender equality. Since 2010, 45 percent of programme expenditures have been concentrated in the GEN2 category, which indicates that gender equality is not the *main objective* of the expected output, but the output promotes gender equality in a *significant* and consistent way; 43 percent of programme expenditures have been concentrated in the GEN1 category, indicating that projects are contributing in a *limited* way, but not significantly to gender equality.³⁶ Projects focusing on gender as the 'principle objective', rated as GEN3, make up about 8 percent of total programme expenditures since 2010. This is an improvement and, according to the UNDP corporate strategy, a relatively good profile. However, there is still room for improvement, which should yield more significant results and changes in the lives of women and men.

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

3.3 SUSTAINABILITY OF UNDP CONTRIBUTIONS

Finding 16: The sustainability of UNDP contributions varies, but is mostly satisfactory, based on good national ownership of results, enhanced capacity, improved legislation and support to the continuation of many

UNDP-implemented initiatives and achieved results. Where attention to sustainability was limited, it was mainly due to financial constraints and the lack of theories of change, quality results data and evidence to inform decision-making, policy and planning efforts, as well as learning for course corrections and improved effectiveness.

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

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

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

36 United Nations Development Programme, 'UNDP Gender Marker: Tracking Gender-Related Investments and Expenditures in Atlas', Guidance note, revised edition, UNDP Bureau of Policy and Programme Support, Gender Team, 2014.

increases the risk of results or further investments disappearing once UNDP moves away.

Furthermore, UNDP has yet to reconsider its capacity-building strategies that serve both short- and long-term purposes. UNDP has supported capacity building through the development of an enabling environment, and capacity building for both institutions and individuals. However, in the context of Bhutan, support to individuals without a complete theory of change and adequate resources may threaten the sustainability of results. Members of Parliament, for

example, change every five years; therefore, support to members of Parliament, although necessary, may not be sustainable beyond each election term, unless a holistic approach to sustainability is considered.

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

Chapter 4

UNDP'S STRATEGIC POSITIONING FOR ADVANCING TRANSFORMATIONAL CHANGE

This chapter provides an overview of aspects relating to UNDP's strategic positioning and UN coordination for advancing transformational change in Bhutan.

4.1 RESPONSE TO COUNTRY-SPECIFIC EMERGING ISSUES

Finding 17. UNDP has been a relevant and responsive partner in addressing emerging national needs, development challenges, government priorities and significant shifts.

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

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

in the pursuit of the MDGs, contributing to significant progress in the attainment of the goals.

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

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

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

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

4.2 UNDP'S COMPARATIVE STRENGTHS AND VALUE ADDED

Finding 18: UNDP's comparative strengths in relation to other international organizations and key added value have been access to its knowledge network and good practices, especially for capacity building and policy advice; its convening power to bring partners and donors together (Round Table Meetings³⁷); and its perceived access to funding. Nevertheless, UNDP is often mistaken for a donor and is sometimes valued only as such. This represents a risk in an environment of diminishing resources due to graduation to MIC status, where increasingly UNDP wishes to be recognized more as a development partner than simply a donor.

UNDP has a longstanding presence in Bhutan, which has enabled it to nurture a steadfast part-

nership with the Government over the years. The Government, development partners and civil society partners see the UN – and UNDP in particular – as a partner and catalyst of best international practices in sustainable development policymaking, development planning and management. The Government looks to UNDP particularly for core assistance in the preparation of Round Table Meetings and five-year plans.

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

UNDP's strength is also seen in providing an interface and integration between international sustainable development conventions and treaties and national policy and strategy development. Examples include the development of a National Biodiversity Strategy and Action Plan that is in close alignment with the Aichi Biodiversity Targets under the Convention on Biological Diversity, a National Action Programme to Combat Land Degradation in close alignment with the 10-Year Strategic Plan of the UN Convention to Combat Desertification, and a national policy on ABS that is compliant with the Nagoya Protocol.

Nevertheless, UNDP's historical role as a donor is still highly regarded by multiple stakeholders, indicating the continued shift that will be

³⁷ The Round Table Meeting is a platform for development dialogue and discussion on issues of interest and concern to all participants where different international agencies also commit financial resources. UNDP is the co-chair. As recommended in the past *Assessment of Development Results*, UNDP continued to support these meetings.

necessary for UNDP to be considered a partner instead. On the other hand, most also value UNDP's human resources and technical contributions, even in areas where it cannot provide significant funding, but admit to approaching UNDP as a source of funding first. Among these partners, UNDP has yet to further clarify its role and value added as a development partner able to contribute to the development of Bhutan, regardless of its access to regular funding.

UNDP is well positioned for more upstream policy work and to gradually scale up government cost-sharing, private sector and other innovative co-financing (such as implementation of World Bank/Asian Development Bank loans) for its programmes. Downstream, UNDP is well positioned to focus on capacity development. To do so successfully, it must strengthen cross-sectorial synergies with a clear theory of change with proper systems thinking to ensure sustainability, integrating areas where it can most add value in contributing to the SDGs and leaving no one behind, as described below.

In the area of sustainable development, UNDP can better contribute to sustainable urban development by integrating environmental management, climate and disaster resilience with measures to improve livelihoods and reduce inequalities, with a focus on vulnerable groups and special attention to youth development and employment through innovation and technology.

In the area of democratic governance, UNDP is strategically positioned to continue contributing to institutional strengthening of civil service, local governance, parliamentary oversight role, and monitoring and evaluation of the 12th Five-Year Plan. But gender equality work can go beyond mainstreaming and be more closely aligned with the UN Women's programmes. This is important in order to avoid duplication and ensure sustainability with a clear theory of change, giving more attention to upstream and capacity development for women's empowerment, especially in the areas of decision-making and economic development.

Furthermore, UNDP is strategically positioned to lead integration of UN agencies to advance the SDGs, still prioritizing gross national happiness concepts and objectives but with special focus on leaving no one behind. And, in partnership with UN agencies, it can push for action in key but emerging areas that receive less attention and more resistance, such as disabilities and LGBT issues, to ensure the realization of the SDG's principle of no one left behind.

4.3 SOUTH-SOUTH/TRIANGULAR COOPERATION

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

One such South-South initiative was the Strategic Environment Assessment for Thimphu Structural Plan, prompted by the UNDP-UNEP Poverty-Environment Initiative, in collaboration with the Korean Environment Institute, a leading think tank on environmental policies and impact assessments. UNDP facilitated an exchange of visits between officials in Bhutan and the Republic of Korea in 2016 to advance the initiative, following an initial scoping mission in 2015. Through the collaboration, a draft framework for the Strategic Environment Assessment was developed and a national counterpart trained to take the assessment forward. However, in the absence of a theory of change, it was unclear how the assessment results would be integrated into the overall strategic approach to promote linkages and synergy with other components of sustainable development support.

At the regional level, UNDP brought together government representatives from Asian and Pacific countries to exchange ideas and data on financing the SDGs. The forum advanced Bhutan's understanding and, to a degree, acceptance of the changing nature of development finance and the UN's role therein.

The Gross National Happiness Commission and UNDP also supported the participation of members of Parliament, a member of an LGBT informal network and a gay rights activist to participate in the Salzburg Global Forum on LGBT in Austria. This was the first time Bhutan's LGBT community interacted with peers in a global forum, and their first engagement with Parliament. The initiative raised understanding of issues concerning the LGBT community and how lawmakers can make a difference, strengthening the capacity of excluded groups to engage in development. Subsequently, the LGBT community launched a Facebook campaign (#CelebrateYourself #RethinkHIV), which received positive media coverage, and formally wrote to Parliament on issues affecting the LGBT community in Bhutan. The *HIV and the Law* report recommended repealing section 213 of Bhutan's Penal Code, which criminalizes sodomy. Parliament debated the proposal in its winter session. No change was made, but the door is open to finding a solution, while the capacity of the LGBT community has been enhanced.

Through a UNDP-supported project called Access to Genetic Resources and Benefit Sharing, Bhutan's National Biodiversity Centre staff visited the Philippines to study international plant extract library systems. They also studied current practices in that country for plant extraction and natural product development and explored the development of institutional linkages for future bio-prospecting collaboration, technical backstopping and research. Beyond the knowledge gained, Bhutan has collaborated on research with a Filipino company called Herbanext Pharmaceuticals to explore the development of natural products from Zingiber (a genus of ginger plants) in the context of the project; since that time, nine related research studies have been undertaken. If marketable products are identified, the scope to increase Zingiber yield in remote communities is high. This could boost capacity to engage in development and increase the amount of land covered under the project.

A Biodiversity Finance Initiative (BIOFIN) Methodology Testing Workshop was conducted among seven regional Asian countries in Bangkok in 2016. For Bhutan, the workshop provided a wide array of ideas to overcome challenges in implementing the BIOFIN process, with the goal of meaningful and lasting change in the biodiversity financing landscape. The workshop culminated in a new global BIOFIN Workbook.

4.4 UN COORDINATION

Finding 20: UNDP is well positioned to continue to help lead UN coordination in Bhutan. Nevertheless, clear theories of change are lacking. Such frameworks are central to developing a successful programmatic approach to Delivering as One and improving coordination, in highlighting cross-cutting issues, strengthening synergies, reinforcing complementarities, and removing duplication to enhance efficiency and effectiveness in achieving focused results.

The UN in Bhutan intended to adopt the Delivering as One approach to increase the effectiveness and impact of UN agencies by increasing the coherence of programmes and reducing the transaction costs for implementing partners. The 2014–2018 CCPD for Bhutan developed by UNDP, UNFPA and UNICEF intended to follow this approach by highlighting cross-cutting issues, strengthening synergies, reinforcing complementarities, and removing duplication to enhance efficiency and effectiveness in achieving focused results. The approach also had the goal of reducing the review burden for Government and enabling participating organizations to harmonize their efforts and articulate areas of cooperation.

Delivering as One has not been fully realized in Bhutan. There is still a need for increased coordination among UN agencies and other development partners, beyond planning for increased coherence of programming through a coordinated UNDAF and CCPD. Despite some efforts by UNDP, there is limited coordination among the agencies to jointly implement initia-

tives and report on contributions with adequate focus on the programme approach and results-based management.

Triangulation of evidence, including interviews with key stakeholders, indicate limited evidence of agencies working together more effectively to highlight cross-cutting issues, strengthen synergies, reinforce complementarities, and remove duplication to enhance efficiency and effectiveness in achieving focused results. Nor has the review and reporting burden for the Government been reduced to enable participating organizations to harmonize their efforts and articulate areas of cooperation.

Despite the fact that some of these tools are corporate requirements, the multiple planning instruments used (UNDAF/One programme/CCPD/CPD) are redundant and add transaction costs without a clear theory of change and adequate systems thinking linked to results-based management. The value added of One Programme is not clear for most agencies, and some UN agencies are going back to developing individual CPDs. Despite its challenges, limitations and need for improvement, the One Programme is still valued by Government and partners. It can be a helpful tool for communication, advocacy, and some mapping of investments and reporting.

Transaction costs have also increased with the introduction of additional layers of coordination, in terms of additional planning, monitoring and coordination activities. Such activities have also contributed to increased transaction costs at the level of individual agencies. The introduction of several inter-agency task teams also appears to have increased transaction costs in terms of staff time, without necessarily fostering a clear understanding and knowledge of the United Nation's value added.

Agencies and partners complained of duplication of efforts and confused counterparts, due to the lack of effective coordination and communication. For example, it was not clear to many counterparts what differentiates UNDP from the UN

country team or the UN Resident Coordinator from the UNDP Resident Representative. And to many partners, the role of UNDP and the UN is highly ambiguous, as is the distinction between the UN Resident Coordinator and the UNDP Resident Representative; nor was there a clear understanding of the comparative advantage of each agency or how working in a more integrated, coordinated and harmonized way could concretely add more value. Often, some UN agencies and government counterparts perceived a UN offer as a UNDP offer.

Operationally, the common Business Operations Strategy (BOS) has increased efficiency and reduced costs. It aimed to enhance the cost-effectiveness and quality of operations of back office processes such as procurement, information and communications technology, human resources, logistics, and administration and finance. Through the BOS and the help of a common services officer, cost savings have been realized – in the form of a surplus of 19 percent in the budget for premises, security and communication in 2016. This more cost-effective model has capitalized on existing agency operational capacities and consolidated the provision of some services.

UN coordination is challenged by the lack of authority over UN agencies, variations in the rules, regulations and mandates of each of the agencies; competition for decreasing resources; and the inability, especially of small and non-resident agencies, to invest resources in concrete joint projects.

UN agencies appear to have limited interest in engaging in and investing their own resources in inter-agency work through concrete joint projects. There is only one formal UN joint project in Bhutan and three others seeking funding. UNDP led and developed all of the joint project formulations. It is evident that there is moderate willingness among UN agencies to cooperate and share information, based on interviews with UNDP staff, members of the UN agencies, government counterparts, civil society and academics, as well as through a desk review of the

UN Resident Coordinator Annual Reports and UNDP's *Results-Oriented Annual Reports* of past years; there is also limited interest in pooling funding and to coordinate investments and contributions.

The *UN Resident Coordinator Annual Reports* for the period under review indicate that the agencies have played a critical role, each individually contributing to development results in Bhutan. But it is not as evident in the reports what the agencies did and delivered together as a coordinated system to strengthen synergies, reinforce complementarities, and remove duplication to enhance efficiency and effectiveness in achieving focused results. These were missed opportunities for improving the effectiveness of UNDP in particular.

Monitoring and evaluation skills are insufficient in the Resident Coordinator's office and at the level of agencies to ensure a common planning, monitoring and reporting framework, with adequate attention to results-based management (as opposed to performance management). Monitoring and reporting require a more efficient approach, with fewer indicators and with proper baselines to reduce duplication and transaction costs and to enhance knowledge-sharing and synergies. Monitoring and reporting are essential not only to prove results but to improve results. Communication is also insufficient among the agencies, especially about financing intelligence; and the agencies don't seem prepared to support Bhutan if/when disaster strikes.

The specific expertise of the agencies has not been effectively mobilized. Nor has this expertise been integrated in a holistic manner, with a clear theory of change, in a more focused programmatic approach to Delivering as One or to the UNDP programme. The agencies have not succeeded in effectively leveraging financing for development and improving joint agency financing practices. UNDP is the only agency that has put financial resources into joint initiatives. UNDP is driving these efforts, but there is no reciprocation or engagement across the other UN agencies. For example, there is limited evidence of agencies, including UNDP, hiring other agencies when possible, instead of consultants, to contribute to the implementation of components where they have a competitive advantage to stimulate joint work and capitalize on synergies.

These coordination challenges are by no means unique to Bhutan, as indicated in the 2016 Quadrennial Comprehensive Policy Review.³⁸ The UN Secretary-General will be devising a road map for change designed to make the UN system stronger. It will be imperative that the UN in Bhutan implements the Secretary-General's recommendations on repositioning to improve coordination. Consultations with all stakeholders indicate UNDP is well positioned to continue to lead the UN in Bhutan in this process. But without clearer and empowering 'marching orders' from the Secretary-General and the willingness of the agencies to coordinate and work together, it is unlikely that any significant positive change in Delivering as One will occur.

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

CONCLUSIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

5.1 CONCLUSIONS

Conclusion 1. Strategic positioning: UNDP has made valuable contributions to the development of Bhutan. However, given limited resources (due to graduation to MIC status), UNDP has the challenge and the opportunity to reposition itself to ensure it can continue to make significant and sustainable contributions to development. UNDP currently lacks theories of change and a results-based management framework. Such frameworks are necessary to more effectively support a MIC with the systems thinking needed to determine how much and how best to invest and when, and in what sequence. The use of such frameworks will help ensure the best use of limited resources and more effective and sustainable advances towards transformational change.

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

Conclusion 3. Democratic governance: UNDP has significantly contributed to the consolidation of Bhutan's parliamentary democracy. It

has helped governance institutions and communities exercise the principles of democratic governance at national and local levels, with a focus on inclusiveness, transparency, accountability and evidence-based decision-making. UNDP remains well positioned to provide further contributions to institutional strengthening, mainly of the civil service, local governance, Parliament's oversight role, and monitoring and evaluation of the 12th Five-Year Plan. However, it has yet to develop an adequate theory of change for when it is appropriate to invest in the short term and when a medium- to long-term approach is required for sustainable governance outcomes.

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

Conclusion 5. Funding: UNDP has developed a relatively realistic resource mobilization strategy, but is struggling to create the necessary incentives to ensure its implementation and diversify sources of funding. UNDP has not yet effectively engaged with the private sector in Bhutan and in the region as a source of co-financing. And while some progress has been

made, as reflected in the slight increase in government cost-sharing, UNDP has not been able to fully convince current and potential partners that government cost-sharing can be an advantageous way to support the Government in implementing its own priorities efficiently and effectively.

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

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

5.2 RECOMMENDATIONS

Recommendation 1. Strategic positioning: Given Bhutan's graduation to MIC status, the UNDP country office will need to strengthen its strategy to better support Bhutan in dealing with the development challenges ahead. This will require preparing the country office for even more upstream policy work and gradually scaling up government cost-sharing, private sector and other innovative co-financing (such as implementation of World Bank/Asian Development Bank loans) for downstream work. Furthermore, UNDP

will need to develop clear theories of change with proper systems thinking to ensure more efficient and effective investment of its limited resources and the sustainability of results. The emphasis should be on capacity development and strengthening of cross-sectoral synergies by integrating the areas where it can most add value to the achievement of the SDGs, focusing on leaving no one behind. Increased emphasis should also be given to developing fewer, more focused projects. Piecemeal investments should be avoided, since their impact is limited and beneficiaries and partners tend to criticize more than value the subsequent results. Assistance from the UNDP regional bureau and other country offices will be key to helping the Bhutan country office learn from the experiences of other countries that have recently graduated.

Recommendation 2. Sustainable development: UNDP should reconsider rapid urbanization and the subsequent growth of environmental and social vulnerabilities. These include environmental, climate change and disaster risks, along with livelihood and employment issues in urban areas. The approach taken should be comprehensive, while increasingly making connections between rural livelihoods and urban systems, including through support for job-creation opportunities. A theory of change will be needed that integrates environmental management, climate and disaster resilience with measures to address inequality, unemployment and livelihood issues through innovation and technology, with a clear focus on vulnerable groups and youth. To help forge such linkages, UNDP should enhance partnerships with CSOs, now that there is a clear recognition of their role in development and since existing partnerships have shown greater adaptability and responsiveness to grassroots-level issues. The approach should also explore engagement with the private sector, both in the country and regionally. Specifically, it should look at creating green jobs in three of the five economic development policy 'jewels': cottage and small industries, tourism and agriculture – with special emphasis on generating employment and income among poor and vulnerable groups, including women and youth.

Recommendation 3. Democratic governance: UNDP should develop a theory of change for immediate and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening. UNDP is well positioned to emphasize support for improved accountability in the delivery of the 12th Five-Year Plan. UNDP may focus on internal accountability through the strengthening of internal monitoring of the plan and/or external evaluation through the Parliament and community participation. Either option will need to be further supported by local public administration reform in the context of decentralization to align the mandates of local government agencies and officials; performance measurements will also need to reflect the gross national happiness concept and principles and the SDGs.

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

Recommendation 5. Funding: UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy. This should include proper training of select staff to engage with the private sector in Bhutan and in the region as a source of co-financing. In addition, the mechanisms and advantages of government cost-sharing need to be more clearly and effectively explained to current and potential partners in Bhutan.

Recommendation 6. Human and financial management: UNDP should continue to invest in internal training and mentoring. It should also encourage backstopping roles within and across teams to help improve work-life balance, as well

as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services. Staff should also commit to taking the initiative to apply their new knowledge, and management should assess performance accordingly. An effectively managed office is about teamwork that flows both ways; it is about staff having an entrepreneurial spirit, and not just about management providing opportunities. UNDP can also further improve efficiency by, when feasible, seeking services within other UN agencies, instead of hiring consultants, to contribute to the implementation of components where they have a competitive advantage, to stimulate joint work, reduce costs and capitalize on synergies.

Recommendation 7. Coordination: UNDP is uniquely positioned to continue to help lead UN coordination in Bhutan along with integration among UN agencies of SDG advocacy and the prioritization of the gross national happiness concept and objectives, while advancing the SDGs, focusing on leaving no one behind. However, to do this successfully will require implementing the UN Secretary-General's recommendations on repositioning the UN System to improve coordination and to develop a clear theory of change for a more focused programmatic approach to Delivering as One. Furthermore, UN agencies would benefit from a common monitoring and evaluation officer to ensure that a common planning, monitoring and reporting framework exists, with improved attention to results-based management with fewer indicators with more adequate baselines. This would reduce duplication of activities and transaction costs and enhance knowledge-sharing and synergies, not just to prove results but to improve results. Strengthening UN coordination would also mean investing in a strategy to better leverage financing for development and insisting on joint agency financing practices, especially for analysis, innovation (piloting) and advocacy for the SDGs. Moreover, stronger UN coordination will require improved communication within agencies, especially about funding opportunities, as well as ensuring that the UN country team is better prepared to help Bhutan if/when natural disasters strike.

5.3 MANAGEMENT RESPONSE

Evaluation recommendation 1.				
Strategic positioning: Given Bhutan’s graduation to MIC status, the UNDP country office will need to strengthen its strategy to better support Bhutan in dealing with the development challenges ahead.				
Management response: Agreed. As Bhutan progress towards LDC graduation, the UNDP country office will continue to enhance its capacity for upstream policy work, effective and efficient downstream implementation support, and diversified development finance mechanisms to ensure strategic support to the Royal Government, with a clear theory of change for investing its limited resources, using them where possible to leverage additional resources, and a focus in the next CPD and UNDAF on leaving no one behind.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
1.1 In collaboration with the UN country team and non-resident agencies, develop a strategic approach to support the smooth transition of Bhutan from LDC to non-LDC status in the coming UN Sustainable Development Partnership Framework (UNSDPF) cycle (2019–2023).	End 2018	Resident Representative and Deputy Resident Representative		To do
1.2 Develop the new UNSDPF and CPD cycle, grounded in leaving no one behind, with a clear theory of change.	September 2018	Resident Representative and Deputy Resident Representative		Under way
1.3 Develop the capacity of UNDP Bhutan and of our development partners in Bhutan (governmental and non-governmental) on diversified approaches to development finance, in line with the Addis Ababa Action Agenda, with a programmatic focus on development finance approaches and innovations in the current and new CPD.	End 2020 (though ongoing from 2017)	Resident Representative and Deputy Resident Representative		Under way

Evaluation recommendation 2.				
Sustainable development: UNDP should reconsider rapid urbanization and subsequent growth of environmental and social vulnerabilities. These include environmental, climate change and disaster risks, along with livelihood and employment issues in urban areas. The approach taken should be comprehensive, while increasingly making connections between rural livelihoods and urban systems, including through support for job-creation opportunities.				
Management response: Agreed. UNDP will work towards a more comprehensive understanding of rural-urban migration in Bhutan and its impact on development, and will apply this learning in its programming. Distinct results have been achieved in the urban space and are planned in the pipeline, including on disaster risk reduction, climate adaptation, greening public transport and industry, entrepreneurship, and agricultural value chains and ecotourism investment to support job opportunities and resilient livelihoods, as referenced in the ICPE. These results and planned investments will benefit from a more complete theory of change around UNDP’s urban interventions, including to better understand urban poverty to help ensure no one is left behind. At the same time, given that agriculture provides livelihoods for 60 percent of Bhutan’s population, that farmers are the ‘least happy’ in Bhutan (2015 Gross National Happiness Survey), that more women are employed in farming than men, and women overall are ‘less happy’ than men in Bhutan, UNDP will work to improve the livelihood resilience of and opportunities for poor farmers, particularly women, while at the same time supporting the enabling environment for the creation of new employment opportunities.				

(continued)

(continued)

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
2.1 Research rural-urban migration in Bhutan and its impact on development.	End 2019	Deputy Resident Representative		To do
2.2 Develop and implement a programmatic pipeline related to Bhutan's economic development policy 'jewels', with a focus on livelihood resilience, income generation and the enabling environment for job creation, with special attention to poor and vulnerable groups.	End 2019	Environment and Livelihoods Portfolio Manager		Under way
2.3 Collaborate with and work through CSOs to advance grass-root engagement and to help ensure no one is left behind.	End 2020	Deputy Resident Representative and CSO Focal Point (Tshering Phuntsho)		Under way

Evaluation recommendation 3.

Democratic governance: UNDP should develop a theory of change for immediate and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening.

Management response: Agreed. UNDP will develop a theory of change for its governance work to immediately inform the new CPD and UNSDPF's development, including to understand UNDP's potential role in Bhutan's decentralization process, in supporting civic oversight of the implementation of Bhutan's five-year plans, and in mainstreaming and monitoring SDG achievement.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
3.1 Conduct theory of change training for all staff.	End 2018	Operations and Quality Assurance Portfolio Manager		Done
3.2 Develop a theory of change for governance-related interventions in the next CPD and UNSDPF.	End 2018	Operations and Quality Assurance Portfolio Manager		Done
3.3 Programmatically support SDG mainstreaming in the development of the 12th Five-Year Plan, considering inclusive planning, data, and advocacy/outreach.	End 2019	Environment and Livelihoods Portfolio Manager		Under way

(continued)

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Evaluation recommendation 4.				
Gender equality and women's empowerment: Given the challenge to fund gender equality and women's empowerment initiatives that go beyond the expected gender mainstreaming, UNDP should focus its limited resources mostly towards more sustainable upstream contributions. If and when working downstream, UNDP should focus on capacity development in the areas of decision-making and economic development.				
Management response: Agreed. In addition to continuing the strong gender mainstreaming focus in UNDP's environment and livelihoods work, UNDP will focus on upstream policy interventions and support as requested by the Government, while at the same time continuing capacity development on women's equality and empowerment (funding permitting), until such time as Bhutan's performance against gender markers demonstrates improvement. For this to happen, in addition to focusing on women's livelihood resilience, focusing on both understanding and tackling gender-based violence will be imperative.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
4.1 Support the development of the Gender Equality Policy and, as requested, its subsequent implementation during the next CPD.	End 2018 and onwards for implementation	Governance and Advocacy Portfolio Manager, a.i.	Development is under way; implementation will be supported as requested by the Government and as per financial opportunities to do so.	Ongoing
4.2 Support the generation of better data on violence against women to inform subsequent upstream interventions.	End 2018	Governance and Advocacy Portfolio Manager, a.i.		Ongoing
4.3 Ensure no less than gender marker '2' for all projects in the pipeline.	Ongoing	All portfolio managers	Quality assurance process will be fully applied.	Annual
4.4 Continue strong gender mainstreaming with disaggregated results in all green financed projects (GEF, Green Climate Fund, etc.).	Ongoing	Environment and Livelihoods Portfolio Manager	Quality Assurance process will be fully applied.	Ongoing

(continued)

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Evaluation recommendation 5.				
Funding: UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy.				
Management response: Agreed. Given UNDP Bhutan is embarking on a new programme cycle, under development in 2017/2018, the country office will first lead a UN assessment of the development finance landscape in Bhutan to further understand how the UN's next cycle of engagement in Bhutan could best be financed and implemented. This analysis will help to better contextualize and situate the country office's resource mobilization strategy in a broader implementation framework, considering diversified means of generating finance, minimizing future expenditure, and maximizing the efficiency of current finances. Resource mobilization and pipeline development targets will be established as a marker of performance; high performance will be incentivized; and capacity development support to partners on development finance will be programmed.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
5.1 Develop a Development Finance Assessment for the new UNDAF with a focus on new financing modalities in the next UNDAF, with direct relevance for the UNDP CPD, including on government cost-sharing.	September 2018	Operations and Quality Assurance Portfolio Manager		Ongoing
5.2 Develop the capacity of Government and other national partners on development financing in line with the Addis Ababa Action Agenda, with the Development Finance Assessment as a supporting guide.	End 2019	Environment and Livelihoods Portfolio Manager		To do
5.3 Develop the capacity of UNDP staff on innovative financing, private sector engagement and resource mobilization and subsequently include related indicators in staff performance agreements.	End 2019	Deputy Resident Representative		To do

(continued)

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Evaluation recommendation 6.				
Human and financial management: UNDP should continue to invest in internal training and mentoring. It should also encourage backstopping roles within and across teams to help improve work-life balance, as well as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services.				
Management response: Agreed. The UNDP country office will ensure that formalized backstopping arrangements are in place for all staff, supported by a clear internal control framework. Secondments and in-detail assignments will be pursued as finances, workload, opportunity and institutional rationale advise. In the 2016 Global Staff Survey results, many of earlier staff concerns (from the 2014 survey) were seen to be addressed. This year, the Bhutan country office ranked consistently in the top three (or higher) performing offices in Asia and the Pacific against 15 out of 16 indices, including on staff 'growth and development', where the office ranks second. On the 16th index – work-life balance – UNDP Bhutan ranks eighth in the region, with an improvement of 27 points in this area since 2014, marking the second highest improvement in the region on work-life balance. Management and staff will commit to continuing this strong performance, including by developing and implementing a companion General Staff Survey action plan focusing on areas where the office can continue to grow. The office will also produce an annual learning plan.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
6.1 Formalize staff twinning arrangements in line with 2016 audit results.	End 2017	Governance and Advocacy Portfolio Manager, a.i.		Done
6.2 Revise the internal control framework to support work-life balance and in line with 2016 audit results.	End 2017	Governance and Advocacy Portfolio Manager, a.i.		Done
6.3 Develop and implement an action plan in response to the 2016 General Staff Survey results.	Immediate	Deputy Resident Representative and Operations and Quality Assurance Portfolio Manager		Done, with implementation ongoing
6.4 When practical and efficient, and where there is a competitive advantage, UNDP will seek out the services of specialized UN agencies instead of hiring consultants.	Ongoing	Environment and Livelihoods Portfolio Manager & Governance and Advocacy Portfolio Manager, a.i.	Where delivery and partnership constraints permit	Ongoing
6.5 Develop and implement an annual learning plan for the office, reflected in staff performance agreements.	First quarter of 2018 (annually thereafter)	Operations and Quality Assurance Portfolio Manager		Annual

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Evaluation recommendation 7.				
Coordination: UNDP is uniquely positioned to continue to help lead UN coordination in Bhutan along with integration among UN agencies of SDG advocacy and the prioritization of the gross national happiness concept and objectives, while advancing the SDGs, focusing on leaving no one behind. However, to do this successfully will require implementing the UN Secretary-General's recommendations on repositioning the UN System to improve coordination and to develop a clear theory of change for a more focused programmatic approach to Delivering as One.... [including with] improved attention to results-based management.... a strategy to better leverage financing for development... and improve[d] communications within agencies.				
Management response: Agreed. UNDP stands ready to support implementation of the Secretary-General's recommendations on UN reform at the appropriate time. This will include determining UNDP Bhutan's role on SDG integration, on development finance and resource mobilization, and on business operations – and our relationship in the context of reform with other resident and non-resident UN agencies in each of these areas. The new CPD and UNDAF to be finalized in 2018 will incorporate this approach.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
7.1 Support/lead country-level implementation of the SG's recommendations on UN reform.	2018 onwards	Resident Representative/ Resident Coordinator (depending on the proposed reforms)		Ongoing
7.2 With the Royal Government, lead a collaborative approach to develop Bhutan's first SDG National Report and its Voluntary National Review to the High-Level Political Forum.	July 2018	Resident Representative and Deputy Resident Representative		Ongoing
7.3 Leverage the Development Finance Assessment findings and recommendations to determine the financing for development approach for the next CPD and UNDAF.	September 2018	Resident Representative and Deputy Resident Representative		Ongoing
7.4 Establish a clear monitoring and evaluation system in the country office, with improved connections between UNDAF and CPD reporting for increased efficiency.	End 2017	Operations and Quality Assurance Portfolio Manager		Done
7.5 Strengthen staff capacity in results-based management.	End 2017	Operations and Quality Assurance Portfolio Manager		Done

ANNEXES (available online)

Annexes to the report (listed below) are available on the website of the Independent Evaluation Office at: <https://erc.undp.org/evaluation/evaluations/detail/9286e>

Annex 1: Terms of Reference

Annex 2: Documents Consulted

Annex 3: People Consulted

Annex 4: Selected Projects

Annex 5: Summary of Indicators and Status as Reported by the Country Office



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