

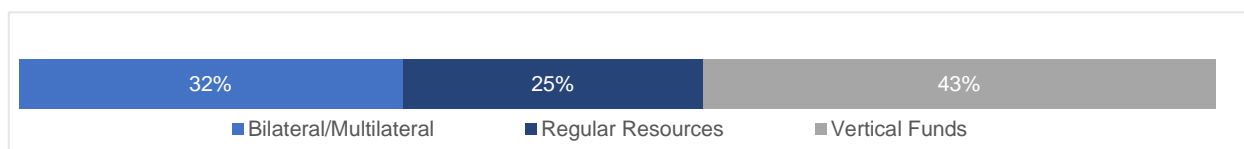
## UNDP IN BHUTAN

Bhutan is a small, land-locked country currently in the Lower Middle-Income Country category, and likely to fulfil the criteria for graduation from Least Developed Countries by 2020. Bhutan has made good progress on social indicators, including on inequality, since 2003; nevertheless, in 2015, the country ranked only 132<sup>nd</sup> out of 159 countries on the Human Development Index. Progress on gender equality also faces legal and policy obstacles. In addition, Bhutan faces key environmental challenges arising from several interdependent factors such as frequent natural disasters, climate change and urbanization that further challenge social outcomes. The concept of 'Gross National Happiness' in Bhutan is key to promoting a balanced and holistic approach to development that encompasses good governance, environmental

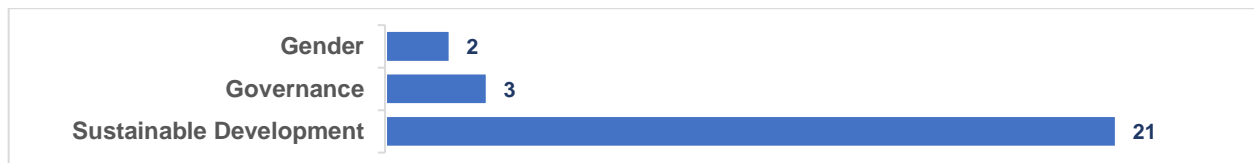
conservation, cultural preservation and equitable socio-economic development, in addition to traditional socioeconomic indicators. Since 2008, UNDP's country programme in Bhutan has focused on poverty reduction, good governance and environmental and disaster management. As of 2014, UNDP's approach included a large, integrated programme promoting a climate and disaster resilient economic growth for poverty reduction, an outcome for gender equality and the empowerment of women and children, and a third outcome focusing on democratic governance principles for governance institutions and communities. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP's contribution from 2010 to 2018.

**TOTAL PROGRAMME EXPENDITURE, 2008-2015: \$32.8 MILLION**

**FUNDING SOURCES, 2008-2016 (\$ MILLIONS)**



**PROGRAMME EXPENDITURE BY THEMATIC AREA, 2010–2016 (\$ MILLIONS)**



## FINDINGS AND CONCLUSIONS

**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.

**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.

**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.

**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.

**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.

**Human and financial management: UNDP has been able to improve its management efficiency ratio and results delivery. Nevertheless, 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.

**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

- Given the graduation to MIC status, Bhutan Country Office will need to strengthen its strategy to better support Bhutan deal with development challenges ahead, requiring efforts to move towards more upstream policy work, developing theories of change and strengthening cross-sectorial synergies.
- UNDP should reconsider the rapid urbanization and consequently growing environmental and social vulnerabilities in its work to address environmental, climate change and disaster risks, livelihood and employment issues in urban areas. The approach should be comprehensive, increasingly making connections between rural livelihoods and urban systems, including through supporting job creation opportunities.
- Democratic Governance – UNDP should develop a theory of change for immediate- and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening.
- Given the challenge to fund gender equality and women's empowerment initiatives, when going beyond the expected gender mainstreaming, UNDP should focus its limited resources mostly towards more sustainable upstream contributions.
- UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy.
- UNDP should continue to invest in internal training and mentoring and encourage backstopping roles within and across teams to help improve work and life balance, as well as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services.
- UNDP is uniquely well positioned to continue to help lead the UN coordination in Bhutan and the integration among the UN agencies of SDG advocacy, prioritizing the GNH concept and objectives while advancing the Sustainable Development Goals focusing on leaving no one behind. However, this 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.

## **ABOUT THE ICPEs**

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

See the full reports at the Evaluation Resource Centre, [erc.undp.org](http://erc.undp.org)