

UNDP IN BHUTAN

Bhutan is in the midst of a historic transition from a monarchy to a full-fledged democracy. Since ending its self-imposed isolation in 1961, the country has achieved a medium stage of human development. Policy-making and programming are uniquely guided by the concept of gross national happiness, which emphasizes sustainable and equitable socioeconomic development, conservation of the environment, preservation and promotion of culture, and promotion of good governance. Remaining

priority challenges include the need to eliminate poverty, reduce inequalities and generate employment.

UNDP has contributed mainly to five programmatic areas: governance, poverty reduction, energy and environment, gender equity and natural disaster reduction. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2000 to 2005.

TOTAL PROGRAMME BUDGET, 2002-2006: \$13.2 MILLION

FUNDING SOURCES, 2004-2006



PROGRAMME EXPENDITURE BY PRACTICE AREA, 2004-2006 (\$ MILLIONS)



FINDINGS AND CONCLUSIONS

UNDP has, over the years, established an extremely positive relationship with the Royal Government of Bhutan, characterized by mutual trust, respect and constructive engagement. By and large, the organization is seen as a catalyst that keeps pace with changing national and local needs.

Public policy in Bhutan is guided by the concept of gross national happiness which, in many ways, complements UNDP's idea of human development. The Government has been open to new ideas and shown an eagerness to learn from local and international experiences. Also important has been the acceptance of UNDP's leadership role by development partners. Round-table meetings, co-chaired by the Government and UNDP, have been useful for consultations with assistance partners on issues of common interest.

Under a comprehensive national development framework, UNDP has explored new approaches, mobilized technical assistance, conducted studies to inform policy and programming, and brought lessons learned from the field to inform policy-makers. It has made important contributions through supporting the Government with work related to international conventions, the preparation of Millennium Development Goal Reports and National Human Development Reports, and advocacy of the con-

cept of gross national happiness. Assistance to enhance institutional capacity in the public sector has included support to the National Commission for Women and Children, a serious attempt to address issues affecting women (including domestic violence) and to advance gender equality.

UNDP acquired a high profile for supporting government efforts to create an enabling framework and build capacities for decentralized, people-centred governance. It had a leading role in formulating the first framework linking the collective efforts of several partners in an integrated programme on decentralization.

By and large, UNDP scored well in terms of its upstream policy contributions. Much less visible, however, were contributions to downstream effectiveness and impact at the local level. At the project design stage, UNDP and the central Government must discuss and develop a decentralized system of programme implementation that can ensure effective flow and use of funds by local bodies. More focus is needed on scaling up strategies, especially where interventions start as pilot projects.

UNDP has lessons to offer in cultivating relationships with governments based on the work in Bhutan, where it chose not to 'impose' its own prescriptions, and partnered with the Government to carefully think through

and implement interventions. Close proximity to and dovetailing of UNDP's programmes with those of the Government, however, made it difficult for UNDP to clearly identify what its specific contributions were to the country's development. There was a feeling that UNDP's interventions were small, scattered and unfocused. In addition, while UNDP has established strong ties with the central Government, this was not the case with local governments.

A number of challenges have stemmed from Bhutan's complex topography. While physical infrastructure has expanded considerably over the years, it is still inadequate to ensure universal reach and effective delivery of basic social services, and to establish effective systems of local governance and connectivity to markets.

Speedy political reforms have greatly increased the need for administrative and managerial capacity as well as leadership at many levels of government; a lack of these, especially in local governments, constrains planning and implementation, as well as intersectoral convergence and coordination.

Where UNDP programme results did not occur according to plan, this appeared to be largely attribut-

able to insufficient implementation capacities among institutions at the local level, exacerbated by the accelerating pace of reform. Other constraining factors were deficiencies in some UNDP institutional systems (for example, financial and reporting systems) and processes that limit institutional learning.

A stronger culture of results-based management could make continuous monitoring and evaluation integral to performance assessment and reporting starting with a focus on the changes that UNDP is aiming to bring about, rather than on what is being done. Further, given the rapidly changing external environment, it is necessary for UNDP to constantly review the underlying pathways of change that guide its programming efforts.

In the years to come, UNDP's contribution will be determined increasingly by the extent to which it informs public decision making by drawing on its global knowledge of what works and what doesn't. The organization has tapped a broad range of expertise available in its headquarters, regional centres and across UN agencies, but this process can be done better and more systematically, towards UNDP rapidly transforming itself into an effective knowledge organization.

RECOMMENDATIONS

- There is considerable room for UNDP to improve its ability to assist the Government in identifying and articulating policy choices.
- UNDP should rearticulate a theory of change, including to strike a better balance between upstream and downstream interventions.
- There is a need to formalize and improve knowledge creation, management and dissemination. In addition, UNDP could play a constructive role in encouraging knowledge networks within the country.
- UNDP should pay special attention to national development challenges that are likely to assume importance in the coming decade. This would include anti-corruption, good governance, leadership, culture and ethics.
- The results-based approach and Multi-Year Funding Framework have helped to sharpen UNDP's work towards outcomes, but they still need to be better internalized to become more outcome and less process orientated.
- UNDP support and impact downstream need to be made more effective and obvious. Assessing downstream contribution should be improved by better monitoring at the project level, specifying clear methodologies in project evaluation and resolving conflicting views on the effectiveness of partnerships.
- UNDP should work towards improving efficiency as well as government capacity at central and local levels to deal with the demands of implementation.
- Better monitoring, evaluation and knowledge management systems are needed to maximize UNDP's impact.
- Given the resource pressures on the Government, UNDP can assist by better leveraging its resources to mobilize additional external funds and help with priority setting.
- UNDP should make the round-table meetings an even more effective forum for development dialogue.
- More effective mechanisms to build bridges and promote harmonization between UNDP and its development partners will require more actively promoting management practices that are results oriented and harmonized.
- The Resident Coordinator and UNDP should advocate for the set of universal values enshrined in the Millennium Declaration as incorporating these values into its policies will be critical for Bhutan.

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.

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