



UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE

Local Governance Sustainable Development Programme

2013 – 2018



TERMINAL EVALUATION

FINAL REPORT

AUGUST-2018

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**BHUTAN INITIATIVE ON INCLUSIVE GROWTH AND
INNOVATION FOR ALTERNATIVE DEVELOPMENT STRATEGIES
(BIG-IDEAS)**

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ACRONYMS

BCER	: Biodiversity and Climate-change Expenditure Review
BCPIR	: Biodiversity and Climate Policy and Institutional Review
BEO	: Bhutan Environment Outlook
BIOFIN	: Biodiversity Finance Initiative
CPD	: Country Programme Document
CPEIR	: Climate Public Expenditure and Institutional Review
CSOs	: Civil Society Organisations
DAMC	: Department of Agricultural Marketing and Cooperatives
DCSI	: Department of Cottage and Small Industries
DDM	: Department of Disaster Management
DEC	: District/Dzongkhag Environment Committee
DLG	: Department of Local Governance
DMC	: District/Dzongkhag Mainstreaming Committee
DNB	: Department of National Budget
DT	: Dzongkhag Tshogdu
DTC	: District/Dzongkhag Tender Committee
EA	: Environmental Assessment
ECP	: Environment, Climate-Change and Poverty
EDP	: Economic Development Policy/Plan
EIA	: Environmental Impact Assessment
EO	: Environmental Outlook
EU	: European Union
FYP	: Five-Year-Plan
GCF	: Green Climate Fund
GDP	: Gross Domestic Product
GECDP	: Gender, Environment, Climate-Change, Disaster and Poverty
GEF	: Global Environment Facility
GNH	: Gross National Happiness
GNHCS	: Gross National Happiness Commission Secretariat
GPMS	: Government Performance Management System
GRPB	: Gender Responsive Planning and Budgeting
GT	: Gewog Tshogde
HWC	: Human Wildlife Conflict
INDCs	: Intended National Determined Contributions
IWP	: Individual Work Plan
JSP	: Joint Support Programme
KEI	: Korean Environmental Institute
KPI	: Key Performance Indicator
LDD	: Local Development Division
LDPM	: Local Development Planning Manual
LGs	: Local Governments
LGKRAs	: Local Government Key Results Areas

LGSDP	: Local Government Sustainable Development Programme
LoCAL	: Local Climate Adaptation Living Facility
M&E	: Monitoring and Evaluation
MoEA	: Ministry of Economic Affairs
MoF	: Ministry of Finance
MoAF	: Ministry of Agriculture and Forests
MoU	: Memorandum of Understanding
MoWHS	: Ministry of Works and Human Settlement
MRG	: Mainstreaming Reference Group
NBSAP	: National Biodiversity Strategies and Action Plan
NCWC	: National Commission for Women and Children
NGOs	: Non-Government Organisations
NEC	: National Environment Commission
NIM	: National Implementation
NMES	: National Monitoring and Evaluation System
NKRAS	: National Key Results Areas
PBCCAG	: Performance-Based Climate-Change Adaptation Grant
P-E	: Poverty-Environment
PEAS	: Poverty-Environment Action for Sustainable Development Goals
PEE	: Public Environment Expenditure
PEI	: Poverty Environment Initiative
PEN	: Poverty-Environment Nexus
PEER	: Public Environment Expenditure Review
PES	: Payment for Ecosystem Service
PIR	: Post Implementation Review
PMG	: Programme Management Group
PMU	: Programme Management Unit
PPD	: Policy and Planning Division
PSC	: Programme Steering Committee
REAP	: Rural Economy Advancement Programme
RED	: Research and Evaluation Division
RGoB	: Royal Government of Bhutan
RNR	: Renewable Natural Resources
SDG	: Sustainable Development Goals
SEA	: Strategic Environment Assessment
SESA	: Strategic Environment and Social Assessment
SGP	: Small Grant Programme
TE	: Terminal Evaluation
ToR	: Terms of Reference
ToT	: Training of Trainers
TSP	: Thimphu Structural Plan
UNCDF	: United Nations Capital Development Fund
UNDP	: United Nations Development Programme
UNEP	: United Nations Environment Programme

GLOSSARY

Dzongkhag	:	District
Dzongkhag Tshogdu	:	District Council
Gewog	:	County
Gewog Tshogde	:	County Committee
Tshogpa	:	Elected representative of the Chiwog, and member to Gewog Tshogde

EXECUTIVE SUMMARY

A. INTRODUCTION

The UNDP-UNEP Poverty-Environment Initiative (PEI), supports partner-countries' initiatives to mainstream poverty and environment into the national development policy-making, planning, implementation and monitoring processes. The PEI programme in Bhutan started in 2007, to support the country in integration of environment, climate and poverty into its development policies, plans and programmes for a greener, more inclusive and more sustainable development. The current PEI-Phase (2013-2018) is built into the five-year 'Local Governance Sustainable Development Programme (LGSDP).

In view of the current LGSDP/PEI-Phase due for completion by June 2018, the terminal evaluation is aimed at assessing the results of PEI activities during the project period, and to take stock of the achievements, best practices, lessons, gaps and challenges. The evaluation was carried out within the framework of the overall global PEI outcome/objectives and the LGSDP components and operational framework. The evaluation involved desk review, stakeholders' consultation at central and local levels, and key informant interviews through online survey. The results of the assessments were triangulated and analysed under the performance parameters of Relevance, Effectiveness, Efficiency, Impact and Sustainability. The evaluation also include taking stock of the best practices, lessons learned and challenges, based on which recommendations are prepared.

B. KEY FINDINGS

- (i) LGSDP-PEI's overall objective has close similitude and direct linkage to the UNDP-UNEP Poverty-Environment Initiative 2013-2018. LGSDP is also in line with the UN One Programme objectives and strategies to contribute in sustainable development.
- (ii) PEI fits well within Bhutan's overall development principles of GNH, Constitutional mandate on environmental preservation, and capacity-building of LGs to participate in the development and management of their own social, economic and environmental well-being.
- (iii) P-E linkage has been successfully infused into the country's development policies, plans and budgeting processes. GECDP has been integrated in national policy formulation protocol and screening tool, LDPM, and formulation of FYP processes.

- (iv) Based on experience from PEER and GRBP, a Climate Public Expenditure and Institutional Review (CPEIR) has been initiated as a step towards devising an integrated financing approach for biodiversity, environment and climate.
- (v) Institutionalisation of knowledge and responsibility on GECDP mainstreaming at the local level has been strengthened with establishment of MRG in all the 20 Dzongkhags.
- (vi) Studies such as impact of the current annual capital grant allocation system and fiscal decentralisation have prompted incorporation of poverty-environment-climate elements in the resource allocation criteria, and recommendations were incorporated in the formulation of 12th Five-Year Plan (FYP).
- (vii) Application of SEA on Thimphu Structural Plan (TSP), has promoted SEA's use and application as useful PEI tool. The implementation plans would be a possible area of next PEI support.
- (viii) A study on value-chain analysis on eco-tourism that is being carried out is expected to identify pro-poor growth and environment conservation support areas for PEI's potential intervention.

C. RECOMMENDATIONS

- (i) For objective measurement of achievements, take a programmatic approach and strengthen focus on a result-oriented activities, by linking PEI activities to the planned activities. To ensure sustainability, PEI activities should not be promoted as project-based programme.
- (ii) Develop customised GECDP mainstreaming tools that are more practical and promote their use along with reference materials or manuals. Periodic sensitisation and orientation for stakeholders on effective use of such tools would be critical.
- (iii) Reinstitute policy guidelines and practice of carrying out periodic PEER/CPEIR and GRBP with clear description of GECDP components from the planning stages and tagging green budget codes in the budget and accounting system. P-E linkage and integration within the National Monitoring and Evaluation System (NMES), GPMS and APA would help make P-E mainstreaming a real-time information for effective planning and budgeting.
- (iv) Central MRG should be revived for consistent coordination, guidance and support of mainstreaming, especially at the local level. Central MRG can be revived by either restoring existing members with improved coordination mechanism, identifying new members from relevant agencies, or mandating PPD's as mainstreaming agencies with

PPD Heads as MRG members. Outsourcing or partnering with a training institute is also an option.

- (v) Effective monitoring and reporting system with periodic rapid assessment of mainstreaming activities would help maintain consistency and momentum of GECDP mainstreaming.
- (vi) Implement recommendations from studies such as fiscal decentralisation, value-chain analysis on ecotourism and SEA on TSP.
- (vii) To strengthen institutional capacity of PMU or project management agency, recruitment of a full-time project support officer is recommended.

1. EVALUATION BACKGROUND, PURPOSE AND METHODOLOGY

1.1 UNDP-UNEP Poverty-Environment Initiative (PEI) in Bhutan

The UNDP-UNEP Poverty-Environment Initiative (PEI), supports partner-countries' initiatives to mainstream poverty and environment into the national development policy-making, planning, implementation and monitoring processes. Aimed at supporting to bring sustainable institutional change through an increased investment in pro-poor environmental and natural resource management, PEI assists government institutions, decision-makers and stakeholders to manage the environment in a way that improves livelihoods with reduction in poverty¹.

The objective of PEI is based on the premise that poor people are inherently dependent on the environment for their livelihoods and well-being, and that the improved environmental and natural resources management directly contributes in poverty reduction, sustainable livelihoods and pro-poor growth. In this respect, PEI puts pro-poor economic growth and environmental sustainability at the heart of the development policies, plans and implementation programmes².

The PEI programme in Bhutan started in 2007, to support the country in integration of environment, climate and poverty into its development policies, plans and programmes for a greener, more inclusive and more sustainable development³. The first phase or start-up programme was implemented between July 2008 to December 2009 under the coordination of Gross National Happiness Commission Secretariat (GNHCS), with the overall focus on strengthening the capacity of relevant agencies at both central and local levels of Governments in integrating poverty-environment concerns⁴. The second phase formed a part of the four-year (2010-2013) project "Joint Support Programme (JSP) on Capacity Development to mainstream Environment, Climate-Change and Poverty (ECP) concerns into policies, plans and programmes", which was implemented within the strategic context of the country's 10th Five-Year Plan's (FYP) overall goal of poverty reduction⁵.

¹ UNDP-UNEP Poverty-Environment Initiative, 'About the Poverty-Environment Initiative' <http://www.unpei.org/>

² UN-PEI, 'About the Poverty-Environment Initiative' <http://www.unpei.org/about-the-poverty-environment-initiative>

³ UNDP-UNEP Poverty-Environment Initiative (Bhutan), 'Background' <http://www.unpei.org/what-we-do/pei-countries/bhutan>

⁴ UNDP, 'Bhutan: Poverty Environment Initiative Phase II (JSP-PEI II)' http://www.bt.undp.org/content/bhutan/en/home/operations/projects/environment_and_energy/JSP-PEI-II.html

⁵ JSP Project Document.

The third and current PEI-Phase (2013-2018) is built into the five-year 'Local Governance Sustainable Development Programme (LGSDP)' to continue the support in enhancing mainstreaming of environment, climate and poverty considerations into development policies, plans and programs. The rationale for the PEI component has been based on the premise that strategies to maximize sustainable utilization and conservation of natural resources is important for Bhutan in view of the country facing increasing challenges in balancing economic development and environmental conservation for livelihood.

1.2 Purpose and Objectives of Evaluation

In view of LGSDP/current PEI-Phase due for completion by June 2018, the terminal evaluation is aimed at assessing the results of PEI activities during the project period, and to take stock of the achievements, best practices, lessons, gaps and challenges. The evaluation result is expected to provide required basis and information to help design next phase of the Poverty-Environment Action for Sustainable Development Goals (PEAS), with strategic need-based directions and focus for replication of best practices or improving the results based on lessons learned.

The following are the specific purpose and objectives of the evaluation:

- a. Assess and take stock of the various PEI activities carried out during the period 2013-2018 (focussing on activities carried out within the LGSDP Outcomes and Outputs);
- b. Assess PEI results in terms of achievements, relevancy, effectiveness, efficiency, impact and sustainability;
- c. Draw lessons learned in terms of best practices, challenges, sustainability and replicability;
- d. Provide recommendations for future directions and focus.

1.3 Scope and Extent of Evaluation

The evaluation was carried out within the framework of the overall global PEI outcome/objectives and the LGSDP components and operational framework. In particular, the LGSDP-PEI support was focused to achieve the results under Outcome 2 and the four outputs under it. Therefore, the evaluation looked at the following specific areas of LGSDP:

- a) Institutionalization of responsibility and knowledge for GECDP mainstreaming in the local governments;
- b) Maintaining momentum of GECDP mainstreaming through innovative initiatives carried out at the local level;
- c) Promoting best sustainable practices and integrated local area-based planning at the local level; and,

- d) Fostering enabling conditions for green development at the local level.

Since current PEI Phase (LGSDP) is built on the experiences and lessons on GECDP mainstreaming carried out under previous PEI phase (JSP), the PEI activities are mostly the spillover and continuation of activities from JSP. In this regard, this evaluation made a sequential connection to activities under JSP to measure achievements of PEI activities in the current phase.

As this evaluation pertains only to PEI component of LGSDP, the assessment has been done with focus on PEI supported activities, and do not include all activities implemented under LGSDP.

1.4 Evaluation Approach and Methodology

a. Evaluation Approach

The evaluation was carried out using Post Implementation Review (PIR) or post-mortem approach. The following questions were used to guide the overall process of evaluation:

- (i) What kinds of PEI activities have been implemented to achieve the Project Outcomes/Outputs? What went well and why? What went wrong and why? How can the good results and practices be used to improve the challenges?
- (ii) What are the impacts of the PEI activities within the scope of the Project, and what are the challenges and lessons learned in the process of implementation? How can the design of future projects improve based on the lessons learned and deliver even bigger benefits?

The results of assessments were then triangulated and analysed under the following parameters:

- (i) Relevance of the programme;
- (ii) Effectiveness of the project results;
- (iii) Efficiency of the project;
- (iv) Impact of project activities;
- (v) Sustainability of project activities;
- (vi) Best practices, lessons learned and challenges.

b. Evaluation Methods and Tools

The evaluation was carried out with the following process of gathering required information and data:

(i) Desk Review

Extensive desk review was done to grasp a clear understanding of the project context, project design, project outcomes/outputs and implementation of activities. This exercise was also intended to generate secondary data on the country's development objective, priorities and practices on inclusive and sustainable development. In particular, the following information were generated through the desk review and used for the evaluation:

- ◆ Overall development focus and priorities on sustainable development.
- ◆ Strategies and measures adopted or planned to achieve sustainable and pro-poor growth.
- ◆ Overall goal, objectives and strategies of global UNDP-UNEP PEI programme
- ◆ Focus and strategic objectives of PEI programme in Bhutan.
- ◆ Past activities implemented under PEI Programme, and achievements or lessons learned.
- ◆ Overall context and implementation framework of LGSDP, strategies, gaps and challenges.
- ◆ Future priorities of the country's development objective, and possible intervention from PEI to achieve the planned results.
- ◆ Related questions to establish basis for fieldwork, stakeholders' consultations and interviews.

List of documents reviewed is attached as Annexure 1.

(ii) Stakeholders' Consultation

Consultations with key stakeholders were conducted, both at the central as well as local government levels. The main stakeholders for consultation were the members of the Mainstreaming Reference Group (MRG). Discussions were aimed at taking stock of their experiences, lessons and challenges faced in the course of their engagement in implementing PEI activities, and seek suggestions of recommendations to improve effectiveness of future PEI activities.

In particular, the stakeholders' consultation was aimed at the following broad objectives:

- a. Understand different PEI activities implemented within the scope of LGSDP, and to seek general expressions on the effect of the activities in strengthening poverty-environment linkage;
- b. Discuss mechanisms and strategies on mainstreaming activities implemented, and gather information on best practices, challenges, lessons learned and recommendations for improvement.

A separate set of questionnaire was developed for the stakeholders at the central and local levels of government. Consultations were done either as focussed-group discussions or one-to-one interviews depending on the convenience of individuals concerned. Whenever the consultations were not possible due to inevitable reasons, an attempt was made to get the required information through e-mails.

Three nearest districts of Tsirang, Wangdue Phodrang and Haa were identified for consultation at the local level.

The list of people consulted is attached as Annexure 2, and set of questions used for guiding stakeholder consultations is attached as Annexure 3.

(iii) Key Informant Interviews through online survey

Key informant interviews with MRG members of other Dzongkhags were carried out through online survey. A set of customised open-ended questionnaire was used to gather information from the MRG members.

The questions shared with MRG members of other Dzongkhags is attached as Annexure 4.

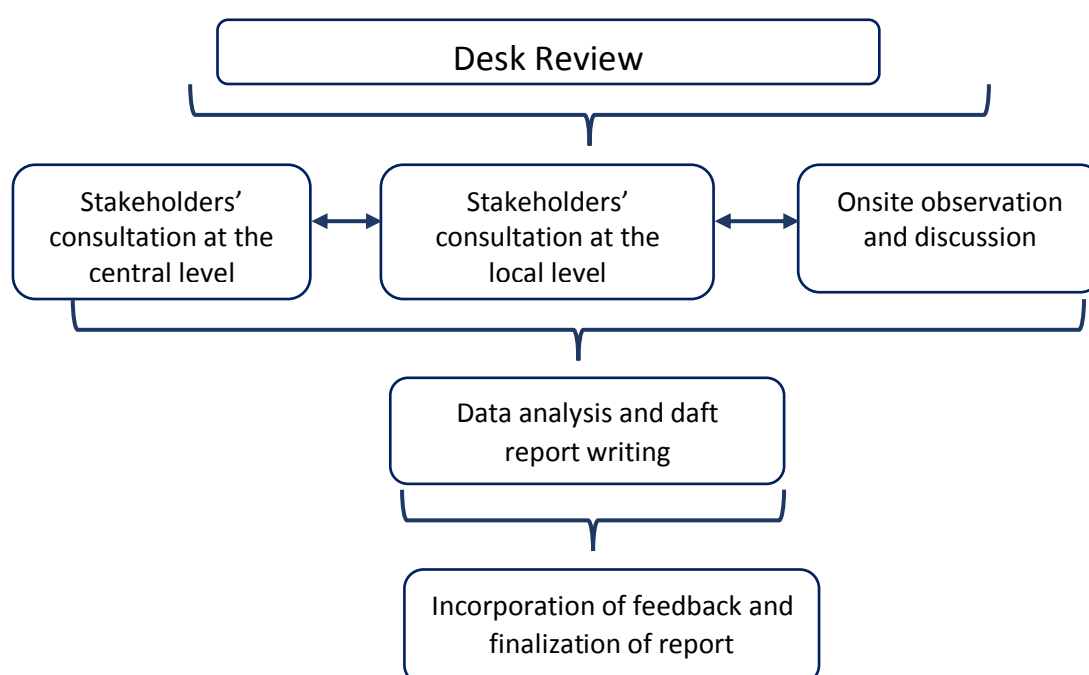
(iv) Site visit of PEI activities and discussions with beneficiaries

Due to limited time for the TE, physical inspection and onsite discussion with the beneficiaries was conducted for one PEI activity. It provided insights on the project aims, results and issues on the ground.

(v) Data analysis and reporting

Relevant information gathered from the desk review, stakeholders' consultation and field visit have been analysed to prepare and produce the evaluation report. UNDP/UNEP Bhutan Office coordinated to circulate the draft report to relevant stakeholders for comments and feedback. The final evaluation report was prepared and submitted after incorporating all relevant comments and feedback.

Figure 1: Evaluation methods and process



2. DESCRIPTION OF PROJECT DESIGN & ANALYSIS

2.1 Project Design and Objectives

The overall goal of LGSDP is to strengthen good governance and promote inclusive green socio-economic development at the local level. The Programme is designed to integrate within the framework of the 11th FYP and contribute to achieving its overall objective of “self-reliance and inclusive green socio-economic development”. As such, the Project is aligned with the FYP’s strategic context and timeframe, from July 2013 to June 2018⁶.

The Programme has three immediate objectives, which are directly aligned to the 16 National Key Results Areas (NKRAS) of the 11th FYP that are conceived to meet each of the four GNH pillars. The three objectives are translated into its three outcomes, supported by four outputs each. The first Objective/Outcome caters to four NKRAS contributing to the first GNH pillar ‘equitable and sustainable socio-economic development’. The second Objective/Outcome caters to another set of four NKRAS contributing to the second GNH pillar ‘conservation and sustainable management of environment’. The third

⁶ Fiscal year in Bhutan is from July – June. Thus, LGSDP framework has been from July 2013 to June 2018. However, disbursement of funds could take place sometimes in February 2014, and LGSDP activities started implementation from March 2014.

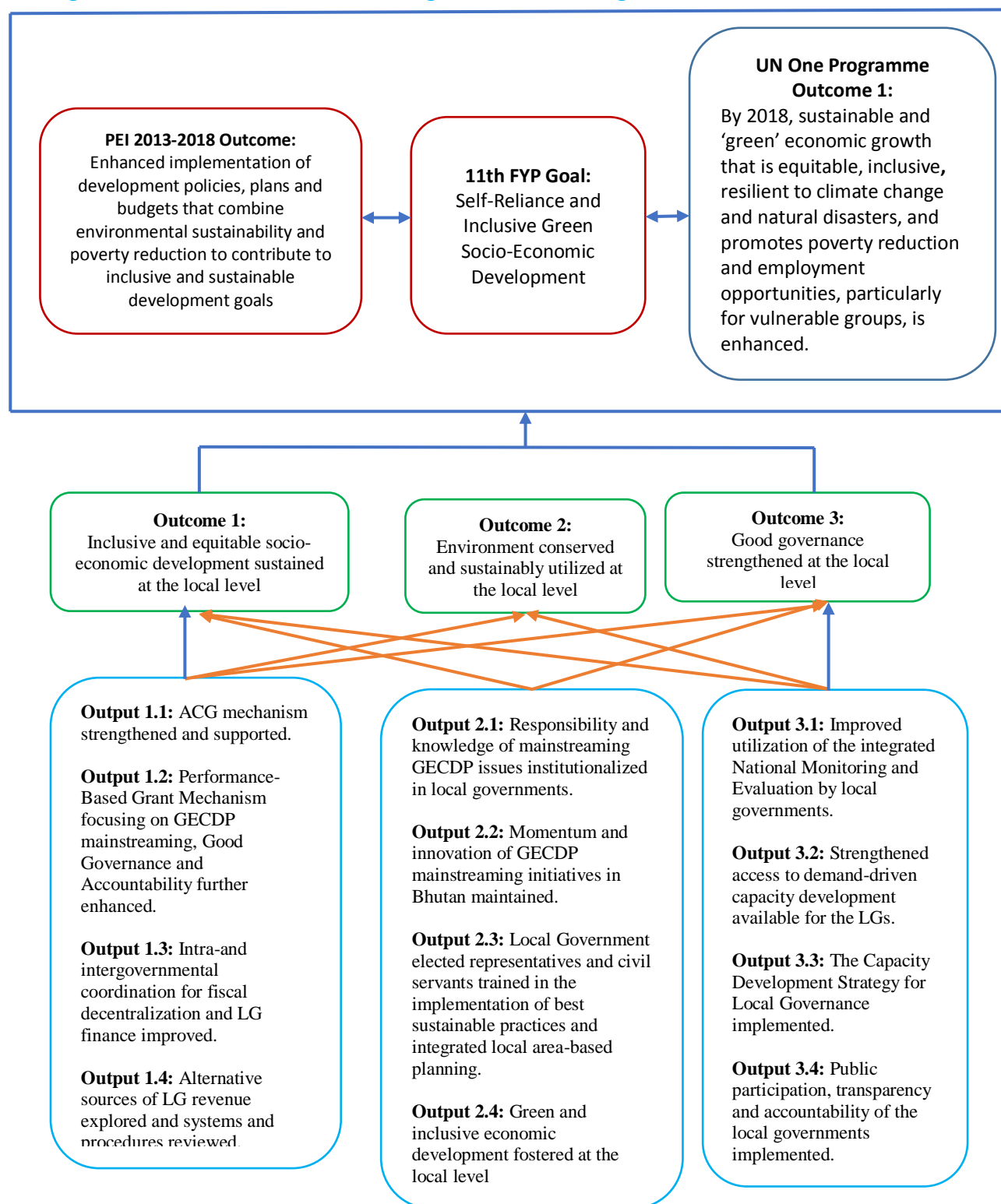
objective/outcome caters to the six NKRAS contributing to the fourth GNH pillar ‘good governance’.

Table 1: 16 National Key Results Areas (NKRAs) of 11th FYP and LGSDP Objectives within GNH Pillars

Four GN pillars	Equitable and Sustainable Socio-economic Development	Conservation and Sustainable Management of Environment	Preservation and Promotion of Culture	Good Governance
National Key Results Areas	<ol style="list-style-type: none"> 1. Sustained economic growth. 2. Poverty reduced and MDG+ achieved 3. Food security and nutrition enhanced 4. Full employment. 	<ol style="list-style-type: none"> 1. Carbon neutral/green and climate-resilient development. 2. Sustainable management and utilization of natural resources. 3. Water security. 4. Improved disaster resilience and management. 	<ol style="list-style-type: none"> 1. Strengthened Bhutanese identity, social cohesion and harmony. 2. Indigenous wisdom, arts and crafts promoted for sustainable livelihood. 	<ol style="list-style-type: none"> 1. Improved public service delivery. 2. Democracy and governance strengthened. 3. Gender-friendly environment for women’s participation. 4. Corruption reduced. 5. Safe society. 6. Needs of vulnerable groups addressed.
LGSDP Objectives	Objective 1 To promote sustainable and equitable socio-economic development at the local level.	Objective 2 To promote conservation and sustainable management of the environment at the local level.		Objective 3 To strengthen good governance at the local level.

The PEI activities mostly contribute to Outcome 2 of the LGSDP Project. The Outcome focuses on improving GECDP mainstreaming at the local level through four resultant outputs. However, the Programme maintains inter-linkages and synergy between its outcomes and constituent outputs in an integrated approach of mutual reinforcement to contribute to the overall development goal of 11th FYP. The three LGSDP Outcomes supported by their respective Outputs result into an equivalent contribution to the global PEI Outcome as well as Outcome 1 of the UN One Programme or Common Country Programme Document (CPD):

Figure 2: LGSDP Outcome inter-linkages and their linkage to 11th FYP's overall Goal



LGSDP also adopts a local government perspective, accentuating on the process of P-E mainstreaming at the local level. However, it also recognises the important role of central agencies in providing coordination, policy support and technical backstopping in capacity development.

The current PEI-phase has taken a much broader perspective and scope. From the initial focus on Poverty-Environment (P-E) linkage, the PEI concept has been expanded to mainstreaming gender, environment, climate-change, disaster and poverty (GECDP) concerns, to include other critical crosscutting issues in the development process.

Figure 3: Different sequential PEI Phases with progression of scale and focus of activities

Phase I 2008-2009	Phase II 2010-2012	Phase III Jully 2013- June 2018
<p>Stand alone project:</p> <ul style="list-style-type: none"> * Suport on targeted poverty intervention activites and capacity building of relevant agencies in integrating poverty-environment concerns; * Sensitisation and awaeness on PEI or Poverty-Environment mainstreaming concepts started with key central government agencies such as GNHC. 	<p>Integrated within JSP on capacity development for mainstreaming ECP in poicies, pland and programmes:</p> <ul style="list-style-type: none"> * ECP mainstreaming in national development policies, plans and programmes took off; * ECP mainstreaming sensitisation and implementation in development plans and programmes at the local level began; * Increased resilience and adaptative capacity of local communities to climate-change initiated. 	<p>Integrated within LGSDP:</p> <ul style="list-style-type: none"> * Institutionalizing responsibility and knowledge for mainstreaming GECDP issues in local governments strengthened; * Monitoring, advocacy and training to enhance the effectiveness and sustainability of GECDP mainstreaming continued; * Promoting best sustainable practices and integrated local area-based planning proposed; * Fostering enabling conditions for green development at the local level activated.

The other value addition of the Project design is demonstrated in the strong collaboration and partnership between different development partners. The intention of the Programme design is to optimally channel multi-donor support towards the common country goal of strengthening inclusive, green and socio-economic development. In this way, duplication of resources and activities is minimised, while enabling a well-coordinated collective interventions for achieving the results.

From the analysis so far, it can be deduced that the programme design has created opportunity and enabling conditions for PEI's sustainability, for the following reasons:

- (i) Merging PEI as part of LGSDP has enabled to embed P-E linkage and GECDP mainstreaming into the Government's national planning and implementation machinery. The value-addition of the design is that PEI has given the impetus to drive

national development approach and strategies, and measure the results from PEI perspective.

- (ii) As the project is conceived and built based on the experiences and results of the previous PEI phase (JSP), PEI activities have been able to maintain sequential continuum in a progressive manner. For instance, the success of PEI in the JSP-phase has enthused expanding the focus and upscaling to the local level.
- (iii) The concept and scope of PE linkage has evolved from encompassing just environment and policy aspects, and embraced other emerging cross-cutting issues such as gender, climate-change and disaster concerns into development process, making PEI approach more inclusive and holistic.
- (iv) Different outcomes and outputs of the Project being implemented in a mutually reinforcing mechanism has enabled PEI activities to share the resources for a greater impact.
- (v) Similarly, collaboration and partnership of multiple donors of the project prevents PEI to be a stand-alone intervention and suffer from resource constraints. At the same time, duplication of resources and activities is minimised, while strengthening coordination and collective efforts for a common intention.

2.2 LGSDP Result Matrix

The table below shows the result matrix of PEI in LGSDP. Linkage and contribution to the Outcome/Outputs of global PEI Programme (2013-2018) and CPD 2014 – 2018 are described in Section 3.1.

Table 2: LGSDP result matrix

Outcomes	Relevant Indicators	Baseline	End of the Programme Target
LGSDP Outcome 2: Environment conserved and sustainably utilized at the local level.	<ul style="list-style-type: none"> Existence of enabling policies, regulations, and guidelines for green economic development. Improved data, information and knowledge for informed decisions and promotion of green economic development. Number of proposals on green economic development projects implemented at the local level, including number of employment opportunities created (including those implemented through ACG). 	<ul style="list-style-type: none"> EDP 2010 sets the basis and context for green economic development but there is a dearth of information, knowledge and supporting instruments. Gewog Data-bases not in place. No proposals available, and no information of local employment 	<ul style="list-style-type: none"> Data, information and knowledge created for informed decisions and promotion of green economic development. Gewog Data-bases established in all Gewogs, linked to National Statistics Bureau. At least 1 proposal per Gewog per Year implemented, and at least 10 jobs created in average pr. Gewog pr. Year.
Output 2.1: Responsibility and knowledge of mainstreaming GECDP issues institutionalized in LGs	<ul style="list-style-type: none"> Number of Dzongkhags/ Gewogs with GECDP mainstreamed local development plans and programs. Existence and functioning of DMCs or GECDP mainstreaming mandate as an integral part of an appropriate existing administrative set-up (DEC, DGNHC, etc) at LG level 	<ul style="list-style-type: none"> Administrative set-up (DEC, DGNHC, etc) exist for mainstreaming. Dzongkhag officials (DEOs, DPOs, etc) have basic awareness and knowledge of GECDP mainstreaming through sensitization workshops (under JSP) 	<ul style="list-style-type: none"> DMCs created or GECDP mainstreaming mandate built into an appropriate existing administrative set-up (DEC, DGNHC, etc), supported with ToR, training and tools, in all Dzongkhags
Output 2.2: Momentum and innovation of GECDP mainstreaming initiatives maintained	<ul style="list-style-type: none"> The level of GECDP mainstreaming as evident from 12th FYP and new policies, programs and plans 	<ul style="list-style-type: none"> MRG at national level in place, supported by a Prime Ministerial Executive Order dated 15 Jan 2013 declaring its form and functions. Reference Framework for GECDP mainstreaming drafted and used for 11FYP. Strategic Action Plan of MRG for GECDP mainstreaming drafted, providing basis 	<ul style="list-style-type: none"> GECDP issues fully considered and addressed in the 12th FYP, and new policies, programs and plans
Output 2.3: LG elected representatives	<ul style="list-style-type: none"> Level of knowledge and skills among LG officials (elected and civil service) in best sustainable practices 	<ul style="list-style-type: none"> Area-based planning is mandated to LGs in the LG Act 2009 but there is limited knowledge and skills for such planning 	<ul style="list-style-type: none"> Best examples, from Bhutan and outside, of local area practices in integrated local area-based planning and development reviewed,

and civil servants trained in the implementation of best sustainable practices and integrated local area-based planning	and integrated local area-based planning. <ul style="list-style-type: none"> • Availability and spread of information on best sustainable practices and integrated local area-based planning 	within LGs (more particularly in Gewogs) <ul style="list-style-type: none"> • Documentation on best sustainable practices and integrated local area-based planning is very limited and scattered. 	documented and disseminated to all LGs. <ul style="list-style-type: none"> • Relevant officials in all LGs trained using the results of the above documentation.
Output 2.4: Green and inclusive economic development fostered at the local level	<ul style="list-style-type: none"> • Existence of enabling policies, regulations, and guidelines for green economic development. • Improved data, information and knowledge for informed decisions and promotion of green economic development. • Number of proposals on green economic development projects implemented at the local level, including number of employment opportunities created (including those implemented through ACG) 	<ul style="list-style-type: none"> • EDP 2010 sets the basis and context for green economic development but there is a dearth of information, knowledge and supporting instruments. • Gewog Data-bases not in place. • No proposals available, and no information of local employment. 	<ul style="list-style-type: none"> • Data, information and knowledge created for informed decisions and promotion of green economic development. • Gewog Data-bases established in all Gewogs, linked to National Statistics Bureau. • At least 1 proposal per Gewog per Year implemented, and at least 10 jobs created in average per Gewog per year

2.3 Programme Risk and Mitigation Analysis

Table 3: Analysis of LGSDP-PEI Risk and Mitigation

Risk envisaged	Probability expected	Impact Level	Results and mitigation strategy implemented
Implementation of 11th FYP is delayed, or substantially changed by new Government	Low	High	There were no change in the 11 FYP. Owing to the change in Government, the Plan was delayed by a few months, but it did not impact the project in any way.
Approval of LGSDP is delayed by Government or DPs	Low	High	LGSDP could start implementation from February 2014, due to confirmation of budget commitment by donors in January 2014. However, this has not impacted the results.
Insufficient funding level of program	Low	Medium	The support from a few Development Partners were delayed and that has caused financial gap after 2016.
Government does not any longer support fiscal decentralization	Low	High	Government continued to support fiscal decentralisation. In fact, decentralisation in the 12 th FYP is going to strengthen, with 50% of the total budget outlay getting allocated to LGs.

LGs fail to achieve the minimum access conditions for award of the performance-based grant	Low	Medium	The performance criteria was ambitious and assessment criteria complicated in the beginning. However, the assessment criteria and procedure was revised and simplified.
Performance assessments of LGs are not conducted in a neutral and objective leading to lack of incentives	Low/ Medium	High (will decrease incentives)	Performance assessment has been carried out objectively, following the set indicators
Planning and budgeting fails to deliver on the cross-cutting objectives	Low	High	There was no issue.
Lack of capacity at central level for support to LG empowerment	Medium	Low	While capacity exists at the central level, the group has been inactive and this can affect the sustainability of local MRGs to some extent. In order to complete institutionalization of GECDP mainstreaming in the districts, central MRG's technical support is critical, or other appropriate mechanisms need to be put in place.
Lack of technical capability to implement e.g. GECDP at Central Government or local levels	Medium	Medium	Central MRG played a commendable role in GECDP mainstreaming across the central sectors. GECDP concerns have been fully integrated at the policy level and planning level through green and inclusive FYP documents. However, GECDP mainstreaming at the implementation level, both at central and local levels, might need continuous monitoring. For instance, the extent of GECDP integration in the central sectoral and LG plans in line with the overall guideline may not necessarily take place. To ensure effective integration of GECDP concerns, capacity of agencies concerned would be required, with some practical GECDP mainstreaming or PEI tools.
Decisions by LGs on use of discretionary capacity development grants are beyond the program's framework	Low	Medium	The guideline on allocation of discretionary capacity grant is clear. Monitoring on use of the grants could be strengthened to ensure the grants are used for the intended purpose.
Funds are misused at central or local level, and financial mismanagement	Low	High	There were no reports of fund mismanagement. However, monitoring should be strengthened to avoid this risks in the near future.
Program implementation is not managed well	Medium	High	The management mechanism was effective. There was good check and balance provided by regular PSC, PMG and regular collaboration between development partners.

2.4 Project Organisation and Management

As the overall project was targeted at strengthening sustainable development and good governance at the local level, the PMU has been rightly housed in the Department of Local Governance (DLG). The Department's position as one of the line agencies for activities in the local governments also merited it righteous mandate and responsibility to manage the Programme.

However, as a newly established Department then, DLG was limited by lack of adequate senior officials to take the responsibility. Transfer or frequent change of people in charge of the Project components also disturbed consistency in managing the project activities. Although this challenge has not impacted the Programme implementation negatively, the coordination of the project implementation was left to a single person, which, at times, over-burdened the official for timely delivery of activities.

PMG has been effective in supporting PMU manage the programme efficiently. Commitment of PMG members was possible since almost all PMG members were also in the MRG.

2.5 Summary of Budget and Expenditure

Table 4: Summary of Budget Commitment by different LGSDP donors

Donors/Development Partners to LGSDP	Amount (Foreign Currency)	Commitment (million Nu.)
Denmark (DKK 32 million)	DKK 32.00 million	358.40
Switzerland (CHF 1 million)	CHF 1.00 million	66.24
UNDP/UNEP-PEI (USD 0.430 million)	USD 0.430 million	25.80
UNCDF-LOCAL (USD 0.230 million)	USD 0.230 million	13.80

Source: LGSDP Project Document

Table 5: Summary of UNDP-UNEP PEI Annual Budget and Expenditure

Year	Approved Budget (USD)	Project Annual Expenses (USD)
2014	78582.75	75233.36
2015	87000	73219.64
2016	90064.86	80341.10
2017	112260	111763.05
2018	108482	109486.01
TOTAL	476389.61	450043.16

Source: PEI project combined delivery reports (CDRs)

3. ASSESSMENT OF OUTCOME AND OUTPUTS

3.1 Summary of Results, and Contributions to Global PEI and CPD Outputs

The following table shows LGSDP results against the planned targets, and their contributions to the global PEI and CPD Outputs:

Table 6: LGSDP-PEI Results Matrix and contributions to global PEI/CPD Outputs

LGSDP-PEI Outcome/Output Definition	LGSDP Planned Target	Results by activity	Linkage/contributions to Global PEI/CPD Outputs
Outcome: Environment conserved and sustainably utilized at the local level	<ul style="list-style-type: none"> Data, information and knowledge created for informed decisions and promotion of green economic development. Gewog Data-bases established in all Gewogs, linked to National Statistics Bureau. At least 1 proposal per Gewog per Year implemented, and at least 10 jobs created in average pr. Gewog pr. Year. 	<ul style="list-style-type: none"> Integration of GECDP elements in the national policy formulation protocol and screening tools; Capacity development on GECDP mainstreaming at different levels of Government across various development sectors. Central MRG contributed in reviewing 18 draft policies from GECDP lens; Establishment of MRG in all 20 districts, and training of MRG members on P-E mainstreaming tools; Study on green business opportunities and proposals; Publication and communication on best practices and lessons learned. 	<p>Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals</p> <p>Enhancement of 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</p>

		<ul style="list-style-type: none"> • CPIER and BIOFIN studies, building on the earlier PEER and GRBP experiences. 	
Output 1: Responsibility and knowledge of mainstreaming GECDP issues institutionalized in local governments.	<ul style="list-style-type: none"> • Dzongkhag level MRG formed and institutionalised; • CSOs and vulnerable community groups are engaged in all stages of GECDP mainstreaming processes; • Over 70% of participating Gewogs and Dzongkhags have increased awareness on GECDP mainstreaming; • Over 20% of local Government have GECDP mainstreamed into local plans and budgets. 	<ul style="list-style-type: none"> • Study and consultations with district stakeholders on feasibility and appropriate structure of district mainstreaming group carried out; • ToR of existing committees reviewed and assessed; • ToR for mainstreaming GECDP at Dzongkhag level finalized and put in place; • MRG in all 20 districts established with formalization of mandate and modus operandi. • Sensitization and training workshops for District MRG members conducted. • Revision of LDPM with integration of GECDP-based situation analysis and planning 	<p>Contribution to CPD:</p> <ul style="list-style-type: none"> • Output 1.1: Policies and studies for integrated natural resource management, climate-change adaptation /mitigation and poverty-environment nexus developed. <p>Contribution to PEI Programme</p> <ul style="list-style-type: none"> • Output 1: P-E approaches and tools for the integrated development policies, plans and coordination mechanisms applied.
Output 2: Momentum and innovation of GECDP mainstreaming maintained	GECDP issues fully considered and addressed in the 12 th FYP, and new policies, programs and plans	<ul style="list-style-type: none"> • Sensitisation and capacity-building workshops for different levels of stakeholders at different development agencies carried out. • Central MRG contributed in reviewing 18 policies pertaining to different development themes and sectors. • Central MRG oriented on SEA application. • SEA as P-E tool applied on TSP and report produced. • CPEIR initiated. • Rapid assessment on achievement of MRG mechanism carried out and sustainability plan prepared. • NKRAs of 12th FYP includes GECDP-mainstreamed development. 4 NKRAS are directly related to P-E linkages • A value-chain analysis on eco-tourism is being carried out to provide technical inputs to the development of a full-fledged project proposal on ecotourism. 	<p>Contribution to CPD:</p> <ul style="list-style-type: none"> • Output 1.1: Policies and studies for integrated natural resource management, climate-change adaptation /mitigation and poverty-environment nexus developed. <p>Contribution to PEI Programme</p> <ul style="list-style-type: none"> • Output 1: P-E approaches and tools for the integrated development policies, plans and coordination mechanisms applied. • Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems development institutionalized.

<p>Output 3: Local Government elected representatives and civil servants trained in the implementation of best sustainable practices and integrated local area-based planning.</p>	<ul style="list-style-type: none"> • Best examples, from Bhutan and outside, of local area practices in integrated local area-based planning and development reviewed, documented and disseminated to all LGs. • Relevant officials in all LGs trained using the results of the above documentation. 	<ul style="list-style-type: none"> • GECDP mainstreaming processes in the country reviewed, documented and published, containing best practices, lessons learned and challenges. • Customised training and capacity-building activities provided for all local MRG members, including ex-country trainings and exchange programmes. • Study and piloting on poverty reduction through mitigation of HWC carried out. • Post-assessment of community-based insurance schemes on HWC in Kangpara conducted. 	<p>Contribution to PEI Programme</p> <ul style="list-style-type: none"> • Output 1: P-E approaches and tools for the integrated development policies, plans and coordination mechanisms applied. • Output 3: P-E approaches and experiences documented and shared to inform country development programming; <p>Contribution to CPD:</p> <ul style="list-style-type: none"> • Output 1.1: Policies and studies for integrated natural resource management, climate-change adaptation /mitigation and poverty-environment nexus developed.
<p>Output 4: Green and inclusive economic development fostered at the local level</p>	<ul style="list-style-type: none"> • Gender and income disaggregated data, information and knowledge created for informed decisions and promotion of green economic development through policy analysis. • Facilitate assessment of business opportunities for inclusive and green initiative at the local level. 	<ul style="list-style-type: none"> • Comprehensive study on green business opportunities in five districts carried out; • 3 green business proposals each in the five districts made, corresponding to 3 Gewogs each in each of the five districts, totaling to 15 green business proposals and action plans 	<p>Contribution to CPD:</p> <ul style="list-style-type: none"> • Output 1.1: Policies and studies for integrated natural resource management, climate-change adaptation /mitigation and poverty-environment nexus developed. • Output 1.6: The rural poor and under-employed have access to alternative income generation opportunities. <p>Contribution to PEI Programme</p> <ul style="list-style-type: none"> • Output 1: P-E approaches and tools for the integrated development policies, plans and coordination mechanisms applied.

3.2 Achievements at Outcome Level

The achievements at the outcome level is described as the follows:

- (i) Establishment of P-E linkage has been successfully infused into the country's development policies, plans and budgeting processes through the integrated policy formulation protocol and GNH screening tool. The overall 11th FYP's development goal of "self-reliance and green socio-economic development is a clear indication of the country's ownership and recognition of embracing P-E linkages as the priority concerns in the socio-economic development processes. Although it is premature to derive concrete empirical data on PEI's contribution to the 11th FYP's target objectives, PEI's impetus and influence on the overall outcome of the Plan is clearly evident.
- (ii) Identification of P-E or GECDP mainstreaming entry points and windows of opportunities at various stages has become an integral part of FYP formulation process in the country. GECDP mainstreaming frameworks prepared for central agencies as well as LGs have been instrumental in greening the development plans and programmes during the 11th FYP.
- (iii) PEI has played catalytic role in the Ministry of Finance's (MoF) decision to carry out periodic public environmental expenditure review (PEER) to monitor public expenditure on environment and poverty issues. This PEI intervention is expected to help the country progress towards fulfilling its constitutional mandate of keeping 60% of the country under forest at all times, and to achieve its global commitment to remain carbon neutral. Today, MoF, through its annual budget call notification, requires agencies to clearly specify areas of budgeting lines that supports environment and gender. On a similar note, implementation of gender-responsive planning and budgeting (GRPB) has been piloted and tested in four Ministries.

In order to improve accounting mechanisms of public expenditure on PEN in development, PEI has collaborated with BOFIN, INDC project and UNDP-BRH team to initiate CPEIR in the country. As inputs to this exercise, Biodiversity and Climate Policy and Institutional Review (BCPIR) and Biodiversity and Climate Change Expenditure Review (BCER) have been carried out. The two reviews provides an overview of expenditures on biodiversity, environment and climate to encompass pro-poor development approach as provided for by various policies, legal instruments and development frameworks. PEER was challenged by a lack of clarity in defining what constituted environmental expenditure. The BCPIR and BCER elaborate and improves relevance and accuracy of the composition of environmental expenditure by defining biodiversity and climate-change separately.

- (iv) Institutionalisation of knowledge and responsibility on GECDP mainstreaming at the local level has been strengthened with establishment of MRG in all the 20 Dzongkhags. With technical assistance from the central MRG, local MRGs have been sensitised and trained on GECDP mainstreaming in the process of planning, programming and implementation levels. The MRG mechanism has been considered as a strategic approach in sustaining P-E initiatives and linkages in the process of local development planning and implementation.
- (v) PEI's support in the targeted poverty intervention project on Rural Economy Advancement Programme (REAP) has made substantial influence on strengthening sustainable livelihoods of some of the country's poorest villages and communities. The integrated village development planning framework and guidelines initiated under the support has been useful in the interventions of poverty alleviation, inclusive growth and gender equality. REAP was ultimately scaled-up as a flagship programme in the 11th FYP with 109 villages identified for interventions. The project has also enhanced collaboration with other critical stakeholder institutions, including CSOs and NGOs.
- (vi) The successful GECDP mainstreaming in the 11th FYP has naturally spilled over to the 12th FYP. The Plan adopts its overall objective to pursue "just, harmonious and sustainable society through enhanced decentralisation". Justice protects every stakeholder's right for equal access to resources and opportunities, which would be intervened through poverty eradication, narrowing inequality and strengthening gender equality. Achievement of social harmony is strategised through healthy eco-system and carbon-neutral/resilient development. Sustainability is aimed to be achieved through enhancing economic diversity and productive capacities, and ensuring water, food and nutrition security. Enhanced decentralisation will contribute to empowering local governments with more resources and build their capacities to avail improved public service delivery.
- (vii) Of the 16 NKRA's of the 12th FYP, four draws PEI's GECDP mainstreaming experiences: poverty eradication; carbon neutrality and enhanced disaster resilience; ensuring water, food and nutrition security; and, promotion of gender equality by empowering women and girls. The Key Performance Indicators (KPIs) of the Plan are also built on GECDP related considerations such as promotion of waste management, ensuring water security and putting disaster contingency plans in place.

3.3 Achievement by Outputs

a. Output 2.1: Responsibility and knowledge of mainstreaming GECDP issues institutionalized in local governments

- (i) The Local Development Planning Manual (LDPM) has been in place since 2009 and used as a main tool to guide process of development planning, implementation, monitoring and evaluation at the local level. With PEI's support, the manual was revised in 2014 to streamline existing process steps and tools, and made more relevant to new developments, emerging issues, and sustainability concerns. The new edition emphasises, to include in the early phases of planning process, elements of up-front and proactive consideration of systemic view, future scenarios, cross-cutting issues of socio-economic development and their linkages, sustainability of development, and the principles of gross national happiness. The three specific tools added in the Step 1 of the manual (Assessment and Identification) are: (a) Critical Reflection and Challenging Our Assumptions; (b) Situation Assessment through GECDP lens; and, (c) Situation Assessment through GNH lens. Tool 1, encourages the community to reflect on the goals of development and, the purpose and meaning of development. Tool 2 and Tool 3 demand that the people look at their past development efforts and see their linkages or lack of it to GECDP and GNH. If relevant government agencies ensure effective use of the manual, P-E linkages in development processes at the local level would be greatly strengthened and sustainable development materialised to a great extent.
- (ii) Local MRGs are formed and made functional in all 20 districts under the coordination and facilitation of the central MRG. MRGs in the first five Dzongkhags (Gasa, Dagana, Tsirang, Trashigang and Pema Gatsel) were established in November 2014. The ToR with membership and mandates have been put in place. A ToT programme was organised for these five Dzongkhags' MRG members in two groups from 24-26 December and 29-31 December 2014. They were also allocated with a budgetary support of Nu. 1.00 million each to help implement their action plans. Two groups of MRG members from the five districts (total 45 officials) have been also sent out for customised ex-country training on GECDP mainstreaming strategies and practices.
- (iii) Central MRG coordinated establishment of MRGs and development of actions plans in the second batch of five Dzongkhags (Lhuentse, Mongar, Wangdue Phodrang, Zhemgang and Samtse) from 4-8 July 2015. The MRG members identified have been sensitised on GECDP mainstreaming and oriented on relevant PEI tools to help mainstream GECDP concerns in the local development plans and programmes. MRGs in the remaining ten Dzongkhags were established and trained over a three-day sensitisation training workshops held from 17-19 May 2016, and helped with preparation of action plans.

- (iv) An assessment on the impact of the current annual capital grant allocation system was carried out between December 2016 and March 2017, with inputs from UNCDF. The focus of the assessment was on examining the potential impacts of the grant on the pro-poor environment and climate service delivery at the local level. The assessment examined incorporation of poverty-environment-climate elements in the formula and made recommendations to include pro-poor environmental indicators/criteria. The assessment report was used to guide resource allocation to local governments in the 12th FYP.
- (v) A study on fiscal decentralization in LGs in Bhutan has been carried out in 2017. The study reviewed resource allocation system and its linkage with government performance management system. Country's own source revenues at the local government level, a revenue sharing mechanism and the capacity to plan and implement fiscal decentralization with possible impacts of capital grants on the pro-poor environment and climate service delivery were also included in the study. The recommendations made from the study are expected to be useful to strengthen decentralization, within the 12th Plan's objective.

Output 2.2: Momentum and innovation of GECDP mainstreaming initiatives in Bhutan maintained.

- (i) With PEI's conceptual influence and GECDP mainstreaming activities, a Strategic Framework for 'Gender Mainstreaming and Gender Responsive Planning and Budgeting' has been developed with the support of UN Women in February 2013. To facilitate implementation of this framework, a 'Trainers' Manual for Gender Responsive Planning and Budgeting' has been put in place in October 2013. GRPB is currently being piloted in the four Ministries of Agriculture and Forests, Education, Health and Labour and Human Resources (with UN-Women support) under the overall coordination of MoF and the National Commission of Women and Children (NCWC).
- (ii) The revised national protocol for policy formulation was endorsed by the cabinet in March 2015, and requires GECDP mainstreaming to take place from the early stages of any policy formulation. The central MRG was involved in reviewing the following policies during the project period:

<ul style="list-style-type: none"> ◆ Access to Genetic Resources & Benefit-sharing (ABS) Policy ◆ Economic Development Policy ◆ Food & Nutrition Security Policy ◆ Information & Media Policy ◆ Mineral Development Policy ◆ National Competition Policy ◆ National Education Policy ◆ National Employment Policy ◆ National evaluation policy and national evaluation protocol and guidelines 	<ul style="list-style-type: none"> ◆ National Irrigation Policy ◆ National Population Policy ◆ Occupation Health & Safety Policy ◆ Renewable Energy Policy ◆ Social Media Policy ◆ Subsidized Timber and Non-Wood Forest Produce Allotment Policy ◆ Technical & Vocational Education & Training Policy ◆ Tourism Policy
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(iii) A publication on GECDP mainstreaming best practices, lessons and challenges with case studies and examples from Bhutan has been undertaken and published in 2015. The publication captures stories of change, challenges and lessons learned on GECDP mainstreaming initiative in Bhutan from central & local levels.

(iv) A South-South exchange visit⁷ for a 14 member high level delegation from Cambodia was hosted in collaboration with DLG, from 19 to 25 April 2015. The programme was aimed at experience-sharing and learning from each other in integrating climate-change and disaster risk reduction into development policies and plans.

(v) In collaboration with the Research and Development Center of Yusipang/Ministry of Agriculture and Forests, nine kms of a locally fabricated electric fencing was supported for the 150 households of three villages under Rubesa Gewog in Wangdi Phodrang in 2015. The project was intended to be a direct intervention for poverty alleviation and environmental conservation through reduction in human-wildlife conflict. About 40 community members with 80% being women were trained on installation of electric fences using insulators from PVC pipes, including orientation on maintenance and operation of the fence. Community engagement was ensured through provision of free labour. Two farmers' groups were formed to operate and maintain the scheme, with a bylaw to govern the scheme.

(vi) Strategic Environmental Assessment (SEA) was applied to the Thimphu Structural Plan (TSP) to assess environmental and social impacts of the recent trends and developments. The exercise was carried out by an 11-member core team with

⁷ <http://www.unpei.org/latest-news/bhutan-and-cambodia-share-lessons-on-climate-resilient-development-through-a-south-south-exchange-programme>

representation from most relevant agencies, and a task force members from wider stakeholders, in collaboration with the Korean Environment Institute (KEI). Several capacity building/training visits were organized for SEA core team to initiate and take full ownership of the SEA process for TSP. This project included a detailed assessment on areas of environmental concerns requiring attention during implementation of the city's structural plan. The SEA exercise also contributed in building in-house capacity for similar plans and programmes with other agencies, both at the present as well as in the near future. The SEA report has been produced through several rounds of stakeholder consultations with key agencies and the general public. The report also includes a detailed implementation plan.

- (vii) A Climate Public Expenditure and Institutional Review (CPEIR) has been initiated as a step towards devising an integrated financing approach for biodiversity, environment and climate. The exercise was carried out through combination of BCPIR and BCER. This process is aimed at providing a basis on the next steps for biodiversity Finance Needs Assessment and to mainstream elements of Intended Nationally Determined Contribution (INDC) into the 12th Five-Year Plan, with a green investment plan and strategies in the country. About 34 Policies and Laws relating to BIOFIN and Climate change process have been identified. Out of these, eight policies have been studied, considering their overall policy objective, biodiversity/climate focus, equity, gender and poverty, communication and implementation arrangements. Another 16 laws were analyzed for coherence (NBSAP/INDC), Efficiency, Effectiveness, Equity, M&E. The combined report help in extracting policy briefs with recommendations and lessons learned for the country.
- (viii) A rapid assessment to examine the progress and achievement of MRG mechanism on GECDP mainstreaming was carried out in 2017. The assessment took stock of the activities carried out by MRG and identified issues and challenges in GECDP mainstreaming. The assessment also identified a set of opportunities that can be used to further GECDP mainstreaming, and produced a sustainability plan to foster a robust and sustainable GECDP mainstreaming mechanism.
- (ix) A value-chain analysis on eco-tourism is being carried out to provide technical inputs to the development of a full-fledged project proposal on ecotourism, targeting funding support from GEF-7 and GCF. Aimed at identifying key constraints for ecotourism development under the current tourism policy context and to enhance the prospects of supporting bio-cultural conservation and sustainable livelihoods, the value-chain analysis will generate information for the ecotourism project that would help create new jobs and businesses supported by well-built value-chains. The ecotourism project will help Bhutan strengthen the value of ecotourism as a pathway to balance environmental conservation and socio-economic development. This 12th FYP flagship

programme of UNDP and RGoB will help enhance contributions of tourism to achieve SDGs, particularly on climate-change (SDG-13), biodiversity (SDG-15), poverty alleviation (SDG-1) and employment generation (SDG-8). One of the primary objectives of the project is to help position Bhutan as a destination of choice for ecotourism. The report of the value chain analysis will be produced by October 2018.

Output 2.3: Local Government elected representatives and civil servants trained in the implementation of best sustainable practices and integrated local area-based planning.

The following capacity building and trainings have carried out during the current phase:

Table 4: List of capacity-building activities implemented within LGSDP phase

Sl. No.	Training/Capacity-Building Activity	Year	Participants	
			Male	Female
1	Sensitisation and training of first 5 Dzongkhag MRG members	2014	44	1
2	ToT for LG MRG members	2014	42	3
3	Training Workshop on GECDP mainstreaming	2014	18	
4	Training on Participatory Local Governance	2014	23	2
5	Fiscal Decentralisation and Financial Management	2015	8	2
6	Capacity building on Integrated and Inclusive Development at the local level	2015	14	1
7	Local Governance and Management	2015	1	
8	Strategic Environmental Assessment	2015		
9	GECDP mainstreaming and tool	2015	30	1
10	Sensitisation and training of second 5 Dzongkhag MRG members	2015	54	5
11	Hands-on training to locally design low cost electric fence to ward-off wild animals from damaging crops	2015	8	32
12	Consultative workshop with local MRG members and elected leaders of Wangdue Phodrang	2015	12	1
13	AP regional forum on climate change finance and sustainable development	2015	5	
14	Leadership training for elected LG functionaries and aspiring women candidates	2015	0	98
15	Scoping for SEA in Thimphu	2015	15	5
16	Mainstreaming cross-cutting issues into local development plans and programmes led by central MRG, and implementation of	2016	36	8

	Dzongkhag MRG action plans for all 20 dzongkhags			
17	Poverty Environment Partnership & Poverty Environment Initiative Asia Pacific Regional Meeting	2016	3	1
18	1 st Capacity building workshop for Thimphu City's SEA with KEI	2016	10	6
19	Training on SEA for Thimphu Structural Plan Core Group members	2016	9	2
20	Second capacity building workshop on SEA for TSP with KEI	2017	8	3
21	Sensitisation on Fiscal Decentralization in Bhutan	2017	10	5
22	Third and Final Validation meeting on SEA for TSP with KEI	2018	14	8
	TOTAL		342	173

Output 2.4: Green and inclusive economic development fostered at the local level

- (i) Assessment of green business opportunities at the local level and development of action plans have been carried for the five Dzongkhags of Dagana, Haa, Tsirang, Pema Gatshel and Trashigang in October 2014. The assessment included a review of existing policies, guidelines and institutions that provided opportunities to promote green businesses; resource mapping; barriers of business development opportunities at different stages; recommendations to address the barriers; and, carrying out the needs assessment of business developments at the local level. The assessment identified fifteen potential green business opportunities for the 15 Gewogs of the five Dzongkhags.

4. ASSESSMENT OF RESULTS BY PERFORMANCE PARAMETERS

4.1 Relevance

LGSDP-PEI is evaluated as relevant for the following observations:

- (i) LGSDP's overall objective to strengthen good governance and promote inclusive green socio-economic development has close similitude and direct linkage to the UNDP-UNEP Poverty-Environment Initiative 2013-2018. The intended outcome of the UNDP-UNEP PEI 2013-2017 programme is stated as "Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals". In this regard, all three objectives and outcomes of LGSDP go hand in hand with the UNDP-UNEP's aim of enhancing environmental sustainability and poverty reduction. The four outputs under Outcome 2 in particular, which is implemented through GECDP mainstreaming mechanism are in direct concurrence with application of P-E approaches and tools for integrated development policies and plans. The PEER and PBACG promoted under LGSDP also relate to institutionalisation of environment-economic accounting systems.
- (ii) LGSDP is also in line with the UN One Programme objectives and strategies. PEI in Bhutan contributes directly to One Programme's first Outcome of Sustainable Development, which aims to enhance 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". For sustainable and 'green' economic growth, it is important to support policies, capacity-building and innovative actions in effective management of natural-resources, climate-change adaptation and mitigation, with access to renewable energy. One Programme seeks to strengthen linkages between environmental management and income generation through strategies that facilitate 'green' businesses opportunities, especially for vulnerable people, including youth and women. To this effect, LGSDP's outcomes and outputs are in concurrence with the strategy of the One Programme.
- (iii) LGSDP/PEI has relevance to Bhutan's GNH principles that uphold a broad based and holistic sustainable economic growth, Constitutional requirements for safeguarding biodiversity for ecologically balanced sustainable development, and maintaining 60% of the country's total land area under forest cover for all time to come.
- (iv) PEI's alignment and integration with the development context and objective of 11th FYP is well commended for its synergy and mutually reinforcing approach to achieve the common objectives. PEI's objective and focus on strengthening GECDP mainstreaming befits the 11th FYP's focus to make all programs and projects that are: (a) carbon-

neutral/green and climate-resilient development; (b) sustainable utilization and management of natural resources; (c) integrated water utilization and management; and (d) disaster-resilience and management.

4.2 Effectiveness

Observation on the effectiveness of PEI within LGSDP is noted as follows:

- (i) PEI has been effective in promoting and strengthening national interventions on policy formulation, development planning and implementation from the P-E linkage or GECDP mainstreaming angle. Series of awareness creation, sensitisation and capacity-building of key stakeholders, especially at the local level, have contributed in integrating environment conservation and sustainable development principles. In this regard, PEI can be credited for supporting the Government's move to translate sustainable development policies to practice at the LG level. This is also within the framework of the intended global outcome of the PEI Scale-up programme, which is to support governments to improve their capacity in integration of environmental concerns into policy, planning and implementation processes.
- (ii) Revision of the national policy formulation protocol and screening tool have observed to be greatly effective for its long-term benefit in achieving inclusive and sustainable development. Similarly, integration of GECDP elements and checklist in the LDPM is noted for its benefit in integrated local development planning and implementation.
- (iii) Central MRG's role in advocating and building capacity of LG stakeholders in GECDP mainstreaming and instilling a change in mind-set and behaviour towards integrated development plans and programmes is noted to be effective. In the absence of any specific central agency to promote mainstreaming and holistic integration of cross-cutting issues in the development process, central MRG has been highly effective in its functions and role as a mechanism in providing advisory, advocacy and capacity building support to LG functionaries.
- (iv) LGSDP/PEI's emphasis on implementation of activities at the local level have been effective in fostering community-based development planning and implementation. PEI's association in providing capacity development and PBCAGs is seen to have boosted the morale of LG functionaries in mainstream GECDP concerns into their plans and programmes.
- (v) Stakeholders at the local level confirmed that GECDP components are mostly incorporated in the local government key result areas (LGKRAS), indicating that inclusive

and sustainable development is maintained at the local level. Activities incorporated within LG plans include:

- ◆ Construction and advocacy for gender friendly toilets;
- ◆ Construction of Creche in the offices;
- ◆ Flexi timing for breastfeeding mothers;
- ◆ Institution of sexual harassment reporting mechanisms;
- ◆ Implementation of Gender Parity Policy;
- ◆ Formulation of Waste Management Plans and the waste management groups;
- ◆ Introduction of integrated water resource protection, utilization, and management;
- ◆ Climate smart livestock, forestry, and agricultural practices;
- ◆ Disaster Management & Contingency Plan and advocacy for disaster resilient infrastructures;
- ◆ Market sheds along the high way for the sale of agriculture and livestock products; and,
- ◆ Communication facilities during emergencies set up.

(vi) There is a general consensus among the local stakeholders on the usefulness of the GECDP tools in fostering inclusive development. However, suggestions for change or improvement to make the tools more relevant and practical are common. One of the major recommendations is the lack of capacity at the local level to use the tools effectively.

PEI's effectiveness in LGSDP phase has been constrained by the following reasons:

(i) Some results are at the activity level. All planned activities have been implemented, but mere implementation of the planned activities has not necessarily resulted into substantial contribution to achieving the intended outputs. To realize full benefits of the results out of the activities implemented, monitoring and follow-up actions on activities implemented could be strengthened. For example, full and effective use of LDPM needs to be promoted and enhanced. Local MRGs have to be reactivated, with more practical action-plans and implementation strategies. HWC mitigation intervention at Rubesa needs to be revisited and intervened with a more effective governance structure or implementation plans. Gender-based responsive planning and budgeting requires proper institutionalisation. Recommendations of the assessment on green business opportunities at the local level needs to be followed up and implemented.

(ii) While integration of PEI within LGSDP was a strategic arrangement to channel multi-donor support to help achieve the 11th FYP's objectives, the project was challenged by financial gap after second-half of 2015 due to EU-support having received recently. With budgetary

support from EU now having received, mainstreaming activities at the local level are expected to improve.

- (iii) Premature disintegration of central MRG has affected the activities of local MRGs. Central MRG is found still relevant to sustain local MRGs' works with technical back-up and support. Sustainability of local MRGs is also risked by frequent change or transfer of members to a new occupation or place. Without a proper mechanism to transfer knowledge and skills to the new MRG members, continuity of GECDP mainstreaming has become difficult. With the 12th FYP emphasising on enhanced decentralisation as a main strategy, the role of local MRGs would be increased. In this respect, local MRGs' sustainability is important and needs continuous back-up either by reinvigorating central MRG, or putting other effective institutional set-up and contingency plans in place.
- (iv) Effectiveness of PEI can be enhanced by strengthening its strategy and focus that can create more visibility with practical PEI tools for continuous use by the stakeholders. Development and distribution of practical PEI tools and their integration within the national/local planning frameworks would help greatly in sustaining mainstreaming activities at the local level. In other words, there have been a lot of 'what' part of PEI or GECDP mainstreaming, but the 'how' part of the process needs to be strengthened.

4.3 Efficiency

The efficiency of PEI in LGSDP is observed as follows:

- (i) The overall coordination of the programme with strong partnership with different development partners have been noted as a good strategy. The arrangement maintained effective check-and-balance with transparency and accountability. The mechanism of steering committee supported by PMG enabled PMU in effective decision-making and coordination.
- (ii) PEI activities within LGSDP have been more effective because of support and assistance from the UNDP/UNEP whenever required. This was also possible as the UNDP/UNEP Coordinator participated as PMG as well as central MRG member.
- (iii) The PMU has been largely efficient. However, the whole Programme was managed with a single person, both as the Programme Manager as well as Component Managers. This has burdened the person with many things in hand, resulting in delays at times. Nevertheless, UNDP/UNEP supported to implement the activities through the UNDP-NIM support.

4.4 Impact

While impacts of some activities such as fiscal decentralisation would take a longer time, the following are observed as impacts of LGSDP-PEI:

- (i) PEI activities have been instrumental in being the driving force for the Government to take ownership of green and inclusive development plans and programmes. It has made a significant impact on influencing development sectors in mainstreaming GECDP within their sectoral plans. This was possible with PEI's three strategic interventions: (a) finding entry points and making the case to set a stage for mainstreaming, and identifying champions at the relevant agency levels (planning, finance, local government); (b) mainstreaming poverty-environment linkages into policy processes; (c) meeting the implementation challenge, which is aimed at ensuring integration of poverty-environment linkages into budgeting, implementation and monitoring processes.
- (ii) One of the notable impacts of PEI intervention is revision of national policy protocol and screening tool by integrating GECDP elements. This is expected to have a trickle-down effect at the planning and implementation levels for inclusive and sustainable development.
- (iii) Although the central MRG group remains inactive at the moment, the functions of MRG have made significant impact in GECDP mainstreaming at all levels of policy, planning and implementation across various development sectors. Institutionalisation of knowledge and responsibility of GECDP mainstreaming at the local level, which is evident from formation of Dzongkhag level MRGs has been possible with the technical support of central MRG.
- (iv) Revision of LDPM is expected to improve GECDP mainstreaming at the local level, since it is the first point of entry with respect of local development plans and programmes. LDPM serves as the primary tool for local development planning and implementation. With strategic mechanisms on use of this manual, GECDP mainstreaming at the local level can be maintained to a great extent.
- (v) PEI has also impacted preparation of the 12th FYP guidelines. The Plan's overall objective is formulated as "Just and Harmonious Sustainable Development with enhanced decentralisation". The components of Just, Harmonious and Sustainability encompass and embrace incorporation of GECDP concerns as well as measures.

Table 5: The sixteen NKRAs of 12 Five-Year Plan (12 FYP Guideline)

Macro-economic Stability Ensured	Healthy ecosystem services maintained	Infrastructure, communication and public service delivery improved	Democracy and decentralization strengthened
Economic Diversity and Productivity Enhanced	Carbon-Neutral, Climate and Disaster-Resilient Development Enhanced	Quality of education and skills improved	Water, food and nutrition security ensured
Poverty Eradication & Inequality Reduced	Gender equality promoted, women and girls empowered	Productive and gainful employment created	Corruption reduced
Culture & Traditions Preserved and Promoted	Healthy and caring society enhanced	Livability, safety and sustainability of human settlements improved	Justice services and institutions strengthened

4.5 Sustainability and Replicability

PEI in Bhutan is sustainable for the following reasons:

- (i) The GNH development frameworks provides a strong case and driver for PEI activities to be feasible. Bhutan PEI programme has already made a good effect in terms of relevant policy formulation process, application of guidelines tools, capacity-building and implementation. GECDP components have been incorporated in the curriculum of training institutions.
- (ii) The Constitution makes a strong conditions for the development sectors to adopt GECDP mainstreaming in their sectoral plans and programmes. NKRAS and KPIs of 12th FYP promises avenues for PEI's further interventions in the national sustainable development.
- (iii) Political stability, strong Government commitment and good coordination mechanisms at the national level are enabling conditions for successful future programmes.
- (iv) Investments made in the capacity building of wide groups of individuals across different institutions, including private sector and CSOs, have contributed the in-house institutional capacity to implement PEI activities in the country.
- (v) The support of the Government to institution of MRG mechanism is a great incentive for sustainability of PEI activities, though MRG has to be revived with strategic sustainability measures and practice.

- (vi) Integration of relevant livelihood benefit-sharing strategies such as PES and HWC provides impetus for beneficiary communities and implementing partners to participate actively in PEI programmes. With enhanced decentralisation in the 12th FYP, PEI can contribute to make great impact on the ground, in collaboration with local MRGs.

4.6 Partnership

The evaluation noted the following partnership and coordination measures:

- (i) The collaboration of UNDP and UNEP continues to complement each other's strategic focus and common development objectives. One of the primary value additions in the UNDP-UNEP/PEI collaboration is in pooling the funds and operating it in a close inter-agency linkage reinforcing each other. This system allows co-financing and sustain support of similarities, as that of LGSDP activities, seen in the funding source of some PEI activities in LGSDP.
- (ii) LGSDP maintained the previous partnership level from JSP in terms of collaboration with development partners. PEI has been able to carry out effective advocacy for donor harmonization and alignment of donor support to LGSDP.
- (iii) Association with a wide range of implementing partners from central Government agencies have continued. Partnership with local Governments have increased with establishment of MRG in all twenty districts. PEI has also coordinated with training institutes such as Sherubtse College and College of Science and Technology (CST) in integrating GECDP mainstreaming and sustainability components in the elective course programmes.
- (iv) MRG has continued to provide a common ground and opportunity for close coordination and partnership with numerous implementing partners, and gave PEI the basis for smooth implementation.

More specifically, the evaluation noted the following partnership and engagements by PEI:

- (i) Collaboration with UNCDF on integration of pro-poor environment and climate change issues at the local level. Performance-Based Climate Change Adaptation Grant (PBCCAG) under UNCDF's LoCAL was piloted in the PEI districts for synergy and synchronization. PEI's intervention was in capacity-building of the stakeholders, and UNCDF supported with PBCCAG to achieve mutual objective of enhancing community resilience, public finance management and good governance. Under the same collaboration, assessment on status of fiscal decentralisation in the country has also been carried out.

- (ii) PEI partnered with Biodiversity Finance Initiative (BIOFIN), INDC Project and UNDP-BRH to initiate CPEIR. The collaboration is aimed at assessing financing mechanism and development framework for Bhutan to support implementation of SDGs in 2016 and beyond. Integration and alignment of methodologies and processes related to BIOFIN, CPEIR, and PEI is expected to help RGoB in designing integrated financing solutions for biodiversity and climate change. The BCPIR and BCER was made possible through such collaboration, and completed in December 2017.
- (iii) PEI has also embarked on partnering with the Korean Environment Institute (KEI) to implement SEA for TSP. The collaboration resulted into executing a MoU between the MoWHS and KEI, and paved avenues for future collaboration in application of Environmental Assessment (EA), Urban Planning, Waste Management, and other environment-related programmes.
- (iv) Application of SEA on TSP has introduced to partnership with GEF's NAPA-3 project, which has a component to support GECDP mainstreaming.

4.7 Communication

The following communication activities (including those implemented in the previous PEI phase) have carried out under PEI support:

- (i) GECDP mainstreaming advocacy publication in Kuensel
- (ii) Green Jobs in eco-efficient construction in Bhutan;
- (iii) Education for a greener, inclusive economy, through non-formal education;
- (iv) Ecotourism for Poverty Reduction in Pobjika Valley;
- (v) Public Environmental Expenditure Review.
- (vi) Benefits of Eco-San toilets in Kengkhar.
- (vii) Human-Wildlife conflict.
- (viii) Improved stove.
- (ix) Institution of MRG.
- (x) Mainstreaming curriculum in Sherubtse College.
- (xi) Waste Management in Mongar.
- (xii) Watershed protection.
- (xiii) Sustaining and institutionalising mainstreaming efforts.
- (xiv) Integrated planning, budgeting and investment tools for achieving SDGs.

5. BEST PRACTICES, LESSONS LEARNED AND CHALLENGES

5.1 Best Practices

The following are listed as some of the PEI best practices:

- (i) GECDP integrated national policy formulation protocol and screening tool that embeds GECDP mainstreaming into development policies and its corollary effect on GECDP-mainstreamed plans and programmes.
- (ii) Integration of GECDP elements in LDPM.
- (iii) Implementation of green and inclusive GECDP-integrated 11th FYP, with spill-over effect on designing sustainable 12th FYP.
- (iv) Institution of central level MRG with advisory role, facilitation in advocacy and capacity development of line development sectors and LGs.
- (v) Institution of 20 local MRGs and development of TOR and MRG action plans.
- (vi) Requirement for inclusion of environment and gender in MoF's budgeting call notification that promotes gender responsive planning and budgeting in the sectoral development plans and programmes.

5.2 Lessons Learned and Challenges

The evaluation observed the following lessons:

- (i) GECDP mainstreaming entails integrated coordination, collaboration and partnership between a wide-ranging thematic sectors, institutions and individuals. As such, the difficulty lies in bringing every individuals and institutions on board. A strong coordination driver and champion is a critical intervention in successful GECDP mainstreaming. Central MRG functioned very well as long as it was coordinated by GNHCS, which is an apex planning coordination institution in the country. When GNHCS took a backseat, the MRG group stopped functioning.
- (ii) Consultation with MoF exposed that exact calculation of public expenditure on environment is difficult, unless development plans and programmes are prepared with clear segregation of environment expenditure menu. Segregation of expenditure based on GECDP elements is a challenging task, since there all development activities involves

environment. Similarly, gender-responsive planning and budgeting is difficult because of the cross-cutting nature of the subject. For example, how do we assess how much of the national budget have been spent on food for women, men or children? Can a toilet designated for women not used by men? How can a national planning and budgeting process designed so that women and children do not suffer most from development? These are some of the concerns future programme could consider to mainstream.

- (iii) While every agency or individual acknowledges theoretical beauty of GECDP mainstreaming, it is difficult to specify 'how to' do that. With no clear description on what constitutes PEN or GECDP mainstreaming, it is difficult to concretise strategies at the level of implementation.
- (iv) GECDP mainstreaming entails huge adaptation and mitigation cost. Shortage of funds to meet a higher-cost than the normal expenditures have constrained tangible results on the ground. The local MRG action plans could not be implemented due to lack of funds to support their implementation. As evident from the table below, inadequate or lack of funding and technical capacities are the two major challenges faced in mainstreaming GECDP concerns at the local level. For example, farm roads are constructed with the primary objective to simply reach the target destinations or beneficiaries within the allocated budget. If GECDP concerns have to be incorporated, the cost would far exceed the allocated budget, and the road would not be built.

Table 6: Key challenges faced in GECDP mainstreaming at the local level

Capacity Themes	Specific challenges
Financial	<ul style="list-style-type: none"> ◆ Lack of dedicated funds for GECDP or limited financial resources. ◆ Additional cost for mainstreaming.
Technical	<ul style="list-style-type: none"> ◆ Lack of technical capacity of MRG members to implement GECDP mainstreaming.
Human Resources	<ul style="list-style-type: none"> ◆ Frequent transfer or change of trained MRG members, and new members unaware of mainstreaming. ◆ MRG size too big and difficult to coordinate or reach consensus.
Other	<ul style="list-style-type: none"> ◆ The LG functionaries lack knowledge on GECDP. ◆ Lack of monitoring from the central MRG/agencies on the implementation status, progress, and challenges.

- (v) Sometimes, the MRG size is a challenge, and warrants review. While mainstreaming entails sector-diversity, large MRG group hinders effective functioning. Merging MRGs with existing functioning committees should be explored.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Opportunities for Future Programmes

Apart from fund-shortage at the later part of LGSDP, the overall achievement of LGSDP-PEI is high. At the outset, PEI activities have created opportunities to fortify and foster the country's holistic efforts to demonstrate P-E linkage in the process of development. ECP mainstreaming has been now conceptualised, analysed and implemented at the levels of policy formulation, planning and implementation of programmes across all development sectors both at the central as well as local levels of the Government.

The evaluation noted the following as drivers and impetus for future PEI programmes in Bhutan.

- (i) Institution of MRGs at the Dzongkhag level remain as a good entry points and windows of opportunities to strengthen institutionalisation of P-E mainstreaming. With strengthening of their technical capacity with more practical tools to facilitate them in “how-to-mainstream” process, GECDP mainstreaming at the local level have high potential of contribution to the country's sustainable development.
- (ii) In the 12th FYP, decentralisation would be enhanced, with 50% of the total capital outlay disbursed to activities in LGs. This provides huge potential to make an impact in P-E mainstreaming efforts at the local level.
- (iii) Implementation of recommendations made from the study on fiscal decentralisation is a potential area of PEI support.
- (iv) The ecotourism development project fits well with strengthening pro-poor rural livelihoods and environment conservation at the grassroots level. PEI could intervene to build support around the ecotourism project to complement the project activities.
- (v) UNDP/GEF's NAPA 3 Project on “Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscapes and Community Livelihoods” has a sub-component to strengthen MRG mechanism for integration of climate change adaptation,

environmental sustainability and gender considerations in local development planning process. PEI has already collaborated with GEF/NAPA to apply SEA on TSP and this collaboration can be scaled-up to include other P-E mainstreaming tools.

6.2 Recommendations

In view of the analysis of results and performance parameters presented in the preceding sections, the evaluation team makes the following recommendations of strategies:

(i) **Take a programmatic implementation approach:**

In order to maintain focus and visible results, PEI can take a programmatic approach and strengthen focus on a result-oriented activities. For example, integrating P-E linkages into the 12 Five-Year Plans of LGs by reviewing the draft 12 Five-Year plans of 20 Dzongkhags from GECDP lens would be a good support area. While 12th FYP guideline requires GECDP mainstreaming of the Plan, there is no specific framework or processes to implement this guideline.

Most local MRGs' action plans are ambitious with focus on conventional environmental works that entail high level of skills and costs. They are not necessarily linked to the main plans of the Dzongkhag or Gewog and implemented as project-based programme, remaining highly dependent on a donor financial support. The moment the project terminates or the budgetary support is limited, MRG works also discontinue. In this view, it is suggested that PEI support should be complement activities that are already in the plan. This will not only help in measuring the achievements objectively, but also help in sustaining the consistency and continuity of MRG interventions. Since they work on the planned activities, their time and resources will stay within the IWPs.

(ii) **Develop customised GECDP mainstreaming tools:**

Make use of PEI tools consistent and sustainable by developing practical tools along with reference materials or manuals. Periodic sensitisation and orientation on these tools would be critical to help sustain capacity building of different sectors.

(iii) **Maintain momentum of institutionalising PEER and GRBP:**

Reinstitute policy guidelines and practice of carrying out periodic PEER/CPEIR and GRBP with clear description of GECDP components from the planning stages and tagging green budget codes in the budget and accounting system. PEI or GECDP mainstreaming processes should be clearly linked and integrated within the National Monitoring and Evaluation System (NMES) to make it a real-time information for effective planning and budgeting. Furthermore, GECDP mainstreaming can be integrated and tagged with the framework of GPMS and APA, so that monitoring and evaluation of GECDP integration is ensured during regular performance review.

(iv) **Revive central MRG for consistent coordination, guidance and support:**

Revival of central MRG is deemed critical, to maintain consistency in providing coordination, guidance and technical support to local MRGs' activities. Central MRG can be revived by either restoring existing members with improved coordination mechanism, identifying new members from relevant agencies and supporting with their capacity-building, or mandating PPD's as mainstreaming agencies with PPD Heads as MRG members. Outsourcing or partnering with a training institute is also an option.

(v) **Put in place an effective monitoring and reporting mechanism**

Stakeholders' consultation at the local level pointed out that effective monitoring and reporting system would help maintain consistency and momentum of GECDP mainstreaming. Local MRG works are not governed by any requirement to make periodic reporting of the progress or share their experiences, lessons learned and challenges. A rapid assessment of the activities implemented and results produced would have help in replicating the best practices or improving the future activities. Stakeholders submitted that a clear guideline on periodic reporting system with rapid assessment of the progress and results of local MRG activities would help maintain consistency and momentum of GECDP mainstreaming at the local level.

(vi) **Implement recommendations from the fiscal decentralisation study and build support around the ecotourism project to complement the project activities on pro-poor growth and environment conservation. Likewise, support to implement recommended action-plans from SEA should be pursued.**

(vii) **To strengthen institutional capacity of PMU or project management agency, recruitment of a full-time project support officer is recommended.**

1. ANNEXURE

7.1 List of Documents Reviewed/Referred

1. Advancing the Poverty-Environment nexus for achieving the SDGs: Report of the PEI Asia-Pacific Regional Meeting, BRAC Center, Bangladesh, June 1-3, 2016
2. Benefit-sharing for Ecosystem services with emphasis on poverty reduction: A consolidated report on review of project proposal and programmatic framework, WMD, MoAF, RGoB.
3. BCER Final Report, July 2017
4. Bhutan 2020: Vision for Peace, Prosperity and Happiness, RGoB 1999
5. Bhutan Country Factsheet, PEI Bhutan
6. Common country programme document for Bhutan and the UNDP results and resources framework, 2014-2018
7. Economic Development Policy 2016, RGoB
8. Final assessment report of the LOCAL pilot country program in Bhutan, January 2014, Department of Local Governance & UNCDF-LoCAL, Bhutan
9. Fiscal Decentralisation in Bhutan, DLG 2017
10. Framework to mainstream ECP into 11th FYP, GNHC 2013-2018
11. Framework to mainstream GECDP concerns into the 11th FYP of LGs, 2013, GNHC, Government of Bhutan
12. Guidelines for climate change vulnerability assessment and climate change adaptation planning by local governments, DLG and UNCDF-LOCAL 2015
13. Inception Report, Value Chain Analysis on Ecotourism Project Development, UNDP-UNEP, Thimphu
14. Internal draft note on sustainability of MRG, January 2017
15. JSP Project Document, GNHC, 2010-2013
16. JSP Completion Assessment Report, GNHC 2013

17. Local Development Planning Manual, GNHC, 2014
18. Mainstreaming Logic Model and Theory of Change, UNDP-UNEP, Thimphu (undated)
19. Minutes of PMG and PSC meetings, LGSDP.
20. Mainstreaming GECDP into policies, plans and programmes in Bhutan: Experiences, challenges and lessons, DLG 2015
21. MRG Action Plans of 20 Dzongkhags
22. MRG Meeting proceedings/ Minutes
23. MRG mechanism in Bhutan: Rapid assessment report and sustainability plan, November 2017
24. Mid-term review of UNDP/UNEP on Poverty Environment Initiative scale up – Bhutan Country Report, PEM Consultants, 2011.
25. National Protocol for Policy Formulation (Revised) 2015
26. PEI Exit and Sustainability Strategy Development Guidance 2016, UNDP-ENEP PEI, Thimphu
27. PEI Bhutan Sustainability Strategy, 2015
28. Pilot initiatives to reduce human wildlife conflict in Kangpara, Wamrong Dungkhag, Tashigang Dzongkhag, 2013
29. PEI Bhutan Internal Review Report (2013-2017) and Theory of change (undated)
30. PEI-Bhutan annual reports 2014, 2015, 2016 & 2017
31. PEER Report 2010-2011, 2011-2012 & 2012-2013, DPA, MoF, August 2014
32. Project/ Programme Document of LGSDP 2013/2014-2017/2018
33. Programme Document Global PEI 2013-2017
34. Proceedings of the PMG and MRG Coordination Workshop, April 2014
35. Proceedings of the workshop on institutionalizing local-level MRG and development of action plan, July 2015
36. Review of PEI-Bhutan and Theory of Change, December 2015

37. Report on assessment of implementation of ECP mainstreaming capacity development grant, DLG July 2013.
38. Report on the proceedings of workshops on institution of GECDP mainstreaming reference group at the local level (LG MRG) and development of action plan, July 2015
39. Reviewed Bhutan internal review report and Theory of Change, April 2016
40. Sustaining and institutionalizing mainstreaming efforts: Concept Note on sustainability of MRG, January 2017
41. ToR Central and Local MRG
42. 12th FYP Guidelines, GNHCS 2017
43. UNDAF, Bhutan One Programme 2013-2018, UNDP Thimphu
44. UNDP/GEF Project Document: Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscapes and Community Livelihoods, February 2017

7.2 List of People Consulted

Central Agencies

Sl. No.	Names	Agency
1	Ms. Kunzang Lhamu	NCWC
2	Mr. Jabchu Wangyal	Department of Disaster Management
3	Ms. Dorji Wangmo	Ministry of Works and Human Settlement
4	Ms. Sonam Desel	Ministry of Works and Human Settlement
5	Mr. Sonam Penjore	Department of Macro Economics, MoF
6	Ms. Deki Wangmo	Department of National Budget, MoF
7	Ms. Sonam Chuki	Department of National Budget, MoF
8	Ms. Pema Lhazom	Department of National Budget, MoF
9	Mr. Karma Tshering	National Environment Commission
10	Mr. Wangdi Gyeltshen	Department of Local Governance
11	Mr. Sangay Dorji	Department of Local Governance
12	Mr. Melam Zangpo	Department of Local Governance
13	Mr. Tashi Dorji	UNDP, Bangkok
14	Ms. Sonam Rabgye	UNDP/UNEP Thimphu

Dzongkhags

1	Mr. Namgyel Dorji	Tsirang
2	Mr. Dorji Wangchuk	Tsirang
3	Mr. Tashi Dawa	Tsirang
4	Ms. Ugyen Lhamo	Tsirang
5	Ms. Karma Wangmo	Tsirang
6	Mr. Gyeltshen	Haa
7	Mr. Sonam Jamtsho	Dagana
8	Mr. Tshering Phuntsho	Paro
9	Mr. Chhimi Namgyel	Thimphu
10	Mr. Thinlay	Mongar
11	Mr. Thinley Jamtsho	Zhemgang
12	Mr. Jigme Dorji	Wangdi Phodrang
13	Mr. Passang	Wangdi Phodrang
14	Tshering Dema	Wangdi Phodrang
15	Tshewang Dema	Wangdi Phodrang
16	Ugyen Lhamo	Wangdi Phodrang
17	Dawa Dema	Wangdi Phodrang

7.3 Guiding Questions for Stakeholders' Consultation

Stakeholders' consultation at the central level is aimed at the following objectives:

- c. PEI activities implemented in the sectors at the central level, and to study the effect of the activities in strengthening poverty-environment linkage while pursuing sectoral development.
- d. Study mechanisms and strategies on mainstreaming activities through LGSDP, and gather information on best practices, challenges, lessons learned and recommendations for improvement.

The consultation will be conducted either by one-to-one interview with relevant individuals or as a focussed-group discussions along the following lines of discussion questions:

PART A: PEI RESULTS AND OUTPUTS

- 1. How have PEI activities within LGSDP contributed to poverty alleviation by mainstreaming environment, climate and poverty into policies and plans?
- 2. What are some of the best PEI practices that have made a visible impact across sectors?
- 3. What was good about MRG concept and practices, and what were the challenges and lessons learned?
- 4. Apart from MRG mechanism, what other strategies would have been effective in leveraging PEI activities?

PART B: SUSTAINABILITY OF PEI ACTIVITIES IN THE COUNTRY AND REPLICABILITY

- 5. In your opinion, how sustainable are the PEI activities implemented till date, and what are the challenges?
- 6. What kinds of institutional measures and strategies do you think would be effective in replicating best PEI activities, and how could they be implemented?

PART C: PROJECT ORGANISATION AND MANAGEMENT

- 7. In your opinion, how effective and efficient was the project management arrangement?
- 8. Would you suggest any improvement measures to improve efficiency of the project management?
- 9. What is your opinion on the partnership or collaboration with different agencies in implementing PEI activities?

PART D: LESSONS AND RECOMMENDATIONS

10. What are the main lessons learned in the process of implementing PEI activities, and why or how did that happen?
11. What were some of the risks and challenges in implementing PEI activities across various development sectors?
12. What are the recommendations to resolve the risks and challenges based on the lessons learned?
13. How can the design of future programmes be improved for the most effective results?

7.4 Questions used for gathering information through online survey

BACKGROUND AND INSTRUCTIONS:

UNDP-UNEP PEI Programme has been one of the major elements of the multi-donor Local Government Sustainable Development Programme (LGSDP), implemented by the Department of Local Governance. LGSDP is designed and implemented to strengthen good governance and promote inclusive green socio-economic development at the local level. The programme is aimed at contributing to the overall development objective of the country's 11th FYP, and, thus, aligns with the FYP timeframe of 2013-2018.

In view of the current phase of LGSDP nearing completion (PEI Programme has been implemented within the context and time-frame of LGSDP), UNDP-Bhutan Office, which is the agency for implementing UNDP-UNEP PEI Programme in the country, is conducting the terminal evaluation of the PEI Programme for the current phase. In this regard, as part of the evaluation, the following questions have been developed to gather relevant information from the key PEI stakeholders at the local level, mainly the Dzongkhag MRG members.

The key purpose and objective of evaluation interview with stakeholders at the local level is to gather information on the effect of PEI activities on enhancing poverty-environment nexus in formulation of development plans, programmes and their implementation at the local level.

In this respect, the evaluation team appreciates your consent and time to provide your sincere and honest answers to the following questions. All questions are open-ended, and does not have the word-limit. Answers to each question can follow immediately after the question.

Please note that your answers are not limited to the questions, and you are allowed to provide any other relevant information not covered by the questions.

Your answers will be used for general analysis, and not be rated for personal performance or criticism. Therefore, your answers will be protected with strict confidentiality with high regard to ethical principles and integrity.

1. What are some of the best practices or examples of mainstreaming activities implemented in the Dzongkhag, as a result of the MRG mechanism put in place to steer and support inclusive and sustainable development activities in the Dzongkhags?

2. Are the existing mainstreaming tools useful? Do we need to improve or develop more tools to help GECDP mainstreaming more practical and useful?
3. What were some of the challenges you face in mainstreaming GECDP into development plans and programmes? How do you try to resolve or what would you recommend to mitigate the challenges?
4. How effective or active is the MRG in your Dzongkhag? How often do you meet?
5. Do you think we should revisit the membership of the MRG? If yes, should we increase or reduce the number, or change some membership to make it most effective? Please provide suggestions and recommendations on how to change.
6. Do you have sufficient capacity to carry out mainstreaming works in your Dzongkhag? How did the previous capacity-building activities such as ToT for the Dzongkhag MRG group help or not help in mainstreaming GECDP in the Dzongkhag plans and programmes effectively? Give reasons how the previous capacity-building helped or not helped, and make suggestions for improvement?
7. How can future mainstreaming programmes be improved for the most effective mainstreaming results?
8. Did you meet the objectives of mainstreaming GECDP in your respective LG Plans and Programs?
9. What are your recommendations on strategies to institutionalise process of GECDP mainstreaming in the Government planning and implementation system, and not implement it as a project-based activities?
10. Please provide any relevant information or suggestions not covered by the questions, to improve GECDP mainstreaming process and practices.