



UNITED NATIONS
CAPITAL DEVELOPMENT FUND

FONDS D'EQUIPEMENT
DES NATIONS UNIES

MID-TERM EVALUATION

Bhutan Decentralisation Support Programme

BHU/02/006 (UNDP) BHU/02/C01 (UNCDF)

Final Report

January, 2006

Map of Bhutan with Dzongkhag (District) Boundaries



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List of Abbreviations

APF	Alternative Planning Framework
CBS	Centre for Bhutan Studies
DADM	Department of Aid and Debt Management
DANIDA	Danish Aid
DBA	Department of Budget and Accounts
DE	District Engineer
DFO	District Financial Officer
DLG	Department of Local Governance/MoHCA
DoP	Department of Planning/MoF
DPO	Dzongkhag Planning Officer
DSF	Decentralisation Support Fund
DSP	Decentralisation Support Programme
DYT	Dzongkhag Yargye Tshogchung
FY	Financial Year
FYP	Five-Year Plan
GDFA	Geog Development Facilitating Activity
GPIS	Geog Planning Information System
GYT	Geog Yargye Tshogchung
HRD	Human Resource Development
LC	Letter of Credit
LG	Local Government
LGDP	Local Governance & Decentralisation Project
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MoHCA	Ministry of Home and Cultural Affairs
MTE	Mid-Term Evaluation
MTET	Mid-Term Evaluation Team
NRTI	Natural Resources Training Institute
PD	Programme Document
PIR	Policy Implementation Review
RGoB	Royal Government of Bhutan
RIM	Royal Institute of Management
SCDMD	Strengthening Capacities for Development Management and Decentralisation
SNV	Netherlands Development Organization
TA	Technical Assistance
ToR	Terms of Reference
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
USD	United States Dollar

Glossary

Chatrim	Rules, the constitutional law for the Cabinet
Chimi	The people's representative in the National Assembly
Chiog	Group of villages
Chipon	Household/ village representative on GYT
Dzongdag	Chief administrator of a district
Dzongrab	Deputy administrator of a district
Dzongkhag	District
Geog	Block, smallest geographic unit of administration
Gup	Geog head, elected representative for three years
Maangmi	Geog elder, also functions as deputy Gup
Tshogpa	Representative of a village or several villages on the GYT
Zomdoo	Village meeting

I. Executive summary

The DSP has now been operational for more than two years and as stipulated in the Programme Document a Mid-Term Evaluation of project implementation should take place, so as to enable the RGoB and UNDP/UNCDF to get a full overview of progress to date and propose corrective measures, if any, for the remainder of the Programme.

The DSP was signed in June 2003 and is planned to finish by mid 2007. The budget for the Programme is USD 3,500,000 and the calculated expenditure at November 2005 is USD 1,545,000¹. This leaves roughly 50% of budget funds for the remaining 1 ½ year of Programme implementation.

The **key achievements** of the Programme to date are:

- ❖ The decentralisation process has gathered further momentum with the establishment of Department of Local Governance/Ministry of Home and Cultural Affairs in early 2005.
- ❖ RIM has carried out most of the training activities related to participatory planning in the districts and geogs. Almost 250 people in the DSP districts have participated in this training exercise. Unfortunately RIM did not register the participants by gender.
- ❖ The formula for deciding on the size of grants to DSP districts was developed after some initial inputs to the process from UNDP Regional Policy Advisor, Henrik Fredborg Larsen. A very simple system was introduced adding 4% per day of walking distance to nearest road point.
- ❖ The DSP has introduced some degree of minimum requirements for participating geogs in terms of being able to access the DSF. However, there is no proper performance based system of following up the effectiveness and efficiency of the geogs in implementing block grant projects.
- ❖ All the block grant funded geog projects visited by the MTET address issues relating to poverty such as lack of access to market for farm produce by constructing farm roads, power tiller tracks and mule tracks, improvement in livelihoods through irrigation schemes and general improvements in access to roads through bridge construction.
- ❖ UNDP/UNCDF have been able through the DSP to maintain a high degree of visibility in terms of supporting the RGoB decentralisation process.
- ❖ The nature of the Programme is less a pilot than a mainstreamed process of channelling discretionary funds to a wide section of the geogs in Bhutan.

The **major challenges** faced by the DSP in terms of achievement of outcomes and outputs in the remaining timeframe of 1 ½ year are:

- ❖ One of the tools envisioned by the PD as being the cornerstone in terms of providing potential useful data over the programme period was the PIR strategy. However, this was never adopted by the RGoB and therefore very little material exists on pre-project situation in the geogs, and very little for use of monitoring DSP outputs.

¹ UNCDF still has to disburse DSF funds for 2005/2006.

- ❖ The MTE was not able to establish whether various training institutes have included decentralisation subjects in their curriculum and, if they have, whether these have been reviewed for their compatibility with RGoB decentralisation policy.
- ❖ The PD refers to the development of Geog Profiles for the geogs in which DSP/DSF is active. These Geog Profiles could have served to provide substantial useful baseline information. Since the DoP was working on a Geog Planning Information System (GPIS) at the time of programme inception, plans for development of Geog Profiles were stalled by the DSP. However, the web-based GPIS is not easily accessible and in many ways not usable at this stage.
- ❖ RGoB/RIM will have to focus attention on preparing a new orientation package to the newly elected Gups (November 2005) in the coming year. Between 60-80 Gups will need the orientation package outlining the responsibilities of the GYT and DYT under the Chatrim.
- ❖ The issue of community contribution does not seem to be applied evenly over the many DSP/DSF projects that the MTET came across in the geogs. In the case of Gups offices it was stated the community did not contribute the required 5-10% in cash or kind. However, as evidenced in many other projects such as mule tracks, irrigation schemes, power tiller tracks etc, it was clear that community contribution in many cases exceeded the required amount. But the MTET did not find that this contribution was systemically traceable in the geog budgets for the schemes.
- ❖ Due to the delay in finalising the draft Cooperatives Chatrim Regulations the DSP will be hard pressed to implement the anticipated activities as outlined in the PD. DLG will have to ensure that NRTI and RIM are quickly involved in designing and delivering the orientation package to all 20 districts.
- ❖ Since the ambitious PIR strategy as outlined in the PD did not materialise DSP is lacking in terms of basic data on development trends in the districts and geogs. However, the DLG have recently got the assistance of an M&E Advisor from SNV. Hopefully the Advisor will come up with a simple M&E tool for monitoring basic progress in the geogs in the not so distant future.
- ❖ The MTET could only find limited documentation regarding the implementation experiences from DSP districts in terms of planning, budgeting, gender issues, equity, political and community representation. During the remainder of the project it would be useful to focus attention on documenting the examples of good and bad practices under DSP/DSF.
- ❖ The MTET identified the need for additional staff in the UNDP Governance Unit and possibly a Senior Technical Adviser, who can assist RGoB with implementation of DSP and prepare for the coming Alternative Planning Framework (APF).
- ❖ DLG appears to be adequately resourced with equipment and staff in terms of carrying out its coordination functions at central level but seems to lack staff resources to effectively follow up issues and challenges in the districts/geogs. This would be one of the areas to focus attention on in future so that DLG could be resourced with additional staff enabling a continued performance review of districts/geogs.

- ❖ The MTET found that one area which could be focused on is to assist staff in the dzongkhags in receiving more gender training to apply gender sensitive participatory planning methods and tools in a more standardized and systematic way. (For a detailed assessment of decentralisation and gender see Annex 5).

Recommendations

Results Achievement

The MTET recommends that UNCDF consider recruiting one additional Programme Officer, who could be full-time on DSP and based in the UNDP Governance Unit. Furthermore, UNCDF should consider, in agreement with RGoB, to recruit a Senior Technical Adviser. Action: UNCDF *Recommendation 1*

The MTET recommends the RGoB partners ensure that reporting is now regular and according to agreement. Action: DLG/DBA/DoP *Recommendation 2*

The MTET strongly encourages MoHCA to commence convening regular meetings of the Programme Steering Committee again. Action: MoHCA/DLG *Recommendation 3*

M&E Adviser to DLG should come up with basic monitoring indicators for LG. Action: MoHCA/DLG & DLG/M&E Adviser *Recommendation 4*

The Programme Management is encouraged to experiment with various levels of grants based on assessment of implementation capacities in anticipation of the coming APF performance related grant system. Action: MoHCA/DLG & UNDP/UNCDF *Recommendation 5*

A study should be conducted to assess the level of application of the community contribution (5-10% in cash or kind) in DSP supported districts, and how this relates to the issue of Woola in general. Action: MoHCA/DLG *Recommendation 6*

Introduce and develop women's groups capacity in construction techniques to monitor systems more effectively and to be able to apply for contractors licenses, which has potential linkages to the Cooperatives Chatrim Regulations. Action: MoHCA/DLG *Recommendation 7*

DSP should also strengthen accountability mechanisms through applying better dissemination of flows of budget, expenditure and audit information to the wider general public instead of current reliance on verbal information from gup to tshogpa. Action: MoHCA/DLG & Districts *Recommendation 8*

Variables Affecting Successful Implementation and Results Achievement

The administration of DBA Letter of Credit Account at district level has led to some delays in implementation of geogs projects because infrastructure projects not completed within one FY has forced districts/geogs to reapply for unspent funds. The MoHCA and DBA should look into how this anomaly can be rectified to enable smooth implementation of geog projects. Action: MoHCA/DLG and DBA *Recommendation 9*

DSP has to contribute more to gender equality and strengthen outcomes of decentralisation policy in line with RGoB and UNDP policy commitments to major conventions i.e. CEDAW, Beijing and other regional conventions. Action: MoHCA/DLG *Recommendation 10*

UNCDF Strategic Position and Partnerships

The MTET proposes that a group of key policy-makers from MoHCA, MoF/DBA/DoP should visit e.g. Bangladesh. Action: UNCDF *Recommendation 11*

Sustainability of Results

DSP has to focus attention on documenting both good and bad practices of DSF in geogs over the coming 12 months. This study should focus on issues such as participatory planning, gender, equity and community contribution. Local consultant resources should be used. Action: MoHCA/DLG *Recommendation 12*

DLG has recognized the need to coordinate and streamline capacity development initiatives targeting geog level. The district level should be the focal point for capacity development initiatives and a specific HRD plan should be developed to guide future training at district and geog level. Action: MoHCA/DLG *Recommendation 13*

Post Project Planning/Exit Strategy

The MTET recommends that DSP is implemented within the stipulated time frame up to mid 2007 and that no major reorientation of the Programme takes place. The focus of attention over the remainder of the Programme should however be to assist RGoB in preparing for the proposed APF and that UNDP/UNCDF consider positively to fund a phase II of DSP, which builds on the positive experiences of DSP and includes UNCDF's global experiences regarding piloting performance based grants systems. Action: UNCDF and MoHCA/DLG *Recommendation 14*

1. Purpose of the evaluation

1.1 Objectives of the mid-term evaluation

The Decentralisation Support Programme (DSP) 2003-2006 is a collaborative effort of UNDP, UNCDF and SNV in supporting the Royal Government of Bhutan (RGoB) policy of decentralisation. The project was designed as a follow up to the Geog Development Facility Activity (GDFA), which was a component of the larger UNDP/UNCDF programme of Strengthening Capacities for Development Management and Decentralisation (SCDMD) that was implemented during 1998-2002. The GDFA was the first attempt at piloting discretionary development grants at geog level. The DSP is implemented by the Department of Local Governance (DLG) under the Ministry of Home and Cultural Affairs (MoHCA) through the “National Execution” modality, and the partnership strategy is based on parallel financing coordinated by the Department of Aid and Debt Management (DADM) in the Ministry of Finance (MoF).

The DSP aims to create an enabling environment for effective implementation of the decentralisation policy, including regular participatory policy reviews conducted by the Center for Bhutan Studies (CBS); enhance citizen participation in local planning, decision-making and management through provision of training and capital investment funds to 32 geogs (all geogs under Pemagathshel, Lhuentse, Zhemgang, Trongsa and Gasa districts); support the implementation of the 2001 Cooperatives Chatrim and enhance capacity in MoHCA to provide overall management support for the decentralisation policy. This programme not only involves capacity building of GYT and DYT members in programme planning and implementation, but also provides funds to the geogs to be responsible for their own implementation arrangements.

The programme supports three levels of government in Bhutan: the central government, the Dzongkhag (Districts) and the Geog (Block Administrations/village clusters). Within the DSP, UNDP provides resources for upstream technical assistance, capacity building, programme management and capital investment. UNCDF provides capital investment resources and technical backstopping services, and SNV provides primarily technical assistance, but also financial support to some aspects of the Programme’s capacity building activities. In addition, associated with DSP, the Danida Good Governance Programme includes support to institutional capacity building of MoHCA as well as preparation and dissemination of lessons learned through the Bhutanese media.

The DSP has now been operational for more than two years and as stipulated in the Programme Document (PD) a Mid-Term Evaluation (MTE) of project implementation should take place, so as to enable the RGoB and UNDP/UNCDF to get a full overview of progress to date and propose corrective measures, if any, for the remainder of the Programme.

The general objectives of a MTE are to:

- Assist the recipient Government, beneficiaries, UNCDF, UNDP and, as appropriate, the concerned co-financing partners, to improve the efficiency, effectiveness, relevance and impact of the project.
- Provide feedback to all parties to improve the policy, planning, project formulation, appraisal and implementation phases.

- Ensure accountability for results to the project's financial backers, stakeholders and beneficiaries.

The expected outcome of the MTE is the present report outlining the strategic review of project performance to date, in order to assess whether objectives are being met and if outputs are being delivered as per the PD. This will enable the stakeholders to draw initial lessons about project design, implementation and management and to rectify any anomalies in the Programme.

2. Evaluation methodology

2.1 Methods used

This MTE is based on the following approach:

Preparation and planning stage: During the first stage extensive desk-review of DSP and other related documents took place (see list of references in Annex 7). Important documentation was forwarded to the Mid-Term Evaluation Team (MTET) both before and during the mission, and additional information has been collected throughout the mission through meetings at central government level and on field trips to three Dzongkhags (Trongsa, Gasa and Zhemgang). Furthermore, the MTET held introductory meetings with UNDP/UNCDF and MoHCA/DLG and was presented with a comprehensive overview of decentralisation policy as well as implementation of the DSP. A series of meetings were held with relevant government and donor agencies throughout the mission (see list of people met in Annex 6).

The method of data collection, compilation and analysis followed the below outline:

- Secondary data: FY Plans, evaluations, reviews, annual and mid term reports of various donors, studies, manuals and training materials have been studied.
- Primary data: DSP programme reports, scheme estimates and schedule of rates, expenditure records, accounts and budgets.
- Site inspections of schemes and assets took place in Zhemgang, Trongsa and Gasa districts.
- Semi-structured interviews & meetings were held with numerous beneficiaries of DSP interventions in the above mentioned districts.
- Focus group discussions.

Field visits: During the field visits meetings with Dzongkhag staff was held to discuss overall implementation of DSP activities and several schemes were physically inspected by hiking, several hours in some cases, to the project sites. During the site inspections the MTET was engaged in:

- ✓ direct observations
- ✓ semi-structured interviews
- ✓ interviews with key persons
- ✓ focused group discussions with women
- ✓ mixed group interviews
- ✓ discussions within the team

Analysis stage and report writing: During the analysis stage and report writing additional consultations were held with key informants at the national level including DLG, DADM and SNV. The MTET benefited throughout the exercise from the close collaboration with the UNDP Outcome Evaluation of Decentralisation held in parallel with the MTE. The findings and recommendations of the MTE have been discussed in-depth between both teams and with key stakeholders such as UNDP, SNV, JICA, Danida, DADM and DLG.

2.2 Evaluation process

This evaluation is expected to assist the Programme partners in a strategic review of project performance to date, in especially in order to:

- Help project management and stakeholders identify and understand successes to date, and problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, or whether the project is likely to achieve its development and immediate objectives, or whether UNCDF is effectively positioned and partnered to achieve maximum impact.
- Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation, and/or identify exit strategies.
- Provide project management and stakeholders with recommendations capturing additional opportunities, as well as for corrective actions to resolve outstanding issues and improve project performance for the remainder of the project duration.

The Team Leader was briefed by phone both by UNCDF Headquarters staff (Mrs Rebecca Dahele and Jo Woodfin) and later by Regional Technical Adviser from Bangkok Mr Roger Shotton before departing for Bhutan. Likewise before the actual commencement of the mission in Bhutan a number of relevant background documentation was reviewed by both the international as well as the national consultants.

The MTET held a series of briefings with UNDP/UNCDF staff on the first day of the mission. The MTE was, as mentioned above, held in combination with a UNDP Outcome Evaluation of Decentralisation in Bhutan and this Team together with the MTE and UNDP, Bhutan staff finalised the evaluation work plan during the first days of the mission (see Annex 2). This multi-donor evaluation of the broader outcomes of decentralisation in Bhutan in conjunction with the DSP MTE was appreciated by both RGoB and the development partners as a very significant contribution to donor coordination and joint assessments and analysis of the achievements and challenges facing implementation of decentralisation.

Whilst in the field, the MTET visited a number of DSP funded projects in several geogs, namely:

- ✓ Kikhar Irrigation Channel in Nangkhör geog, **Zhemgang**,
- ✓ Nabji-Korphu Power Tiller road, Korphu geog, **Trongsa**
- ✓ Shengling Irrigation Channel in Langthel geog, **Trongsa**
- ✓ Nubi Farmroad, Nubi geog, **Trongsa**
- ✓ Tshangkha Farmroad in Tangsibji geog, **Trongsa**
- ✓ Gup's Office construction in Damji and Khamey geogs, **Gasa**
- ✓ Maintenance of Mule Tracks: i. Tashithang – Khailo (5km), Kukuna – Khailo (5km)
Damji – Chorten Goempa (10km), Damji and Khamey Geogs, **Gasa**
- ✓ Maintenance of wooden bridge in Gathana and Khamey geogs, **Gasa**

The MTET spent over a week after the field visits in finalising the draft report which was presented at a large stakeholders meeting on 30th of November 2005. This meeting provided

invaluable comments on the draft report, which have been taken into account by the MTET before finalising the final draft.

2.3 Team composition

The MTET consisted of the below members:

Hans Bjorn Olsen	<i>Senior Consultant, PEM consult East Africa, Decentralisation and Institutional Development Team Leader</i>
Saroj Nepal	<i>Gonefel Options Consult, Thimpu Senior Consultant Environmental Management and Agriculture Development</i>
Phuntshok Chhoden T	<i>Gender Advisor/consultant c/o SNV-Bhutan</i>
Deepak Pradhan	<i>Senior Engineer, Thimpu</i>

The MTET wishes to thank all central government officials, staff at Zhemgang, Trongsa and Gasa Dzongkhags, all the numerous Gyp's and GYT members as well as individuals met for the support, opinions and information provided. All findings and recommendations in this report are those of the MTET and are not necessarily shared by the RGOB, UNDP, UNCDF, SNV or other development partners. All recommendations are subject to approval by the RGoB as well as UNDP/UNCDF/SNV.

3. Background

3.1 Country context

The present donor and RGoB partnership in implementation of decentralisation activities are in line with the policies and priorities of RGoB enshrined in the Vision 2020, which calls for a system to build real autonomy at the dzongkhag and geog levels maintaining administrative efficiency, transparency and accountability. The 9th Five Year Plan (FYP) 2002-2007 emphasises political decentralisation so that powers of decision-making are vested in the people or their elected representatives. Furthermore, in 1998, His Majesty the King commanded the drafting of a Constitution based on the principles of democracy with separation of legislative, executive and judiciary powers. The draft constitution was revised and simplified in August 2005. Presently, public consultations are being held with people in the districts to get their feedback on the draft Constitution. Other modes of feedback on the draft constitution are solicited through various media like the newspapers and internet involving citizens of Bhutan and the international community.

The decentralisation process, gradually underway over the last three decades, has set and achieved significant milestones namely the institution of the Dzongkhag Yargey Tshogchung (DYT) in 1981, and the Geog Yargey Tshogchung (GYT) in 1991 enabling more people's participation in decision-making and planning. The GYT and DYT Chattrims (Acts) were enacted in 1992 and 1995 respectively and further amended during the 80th session of the National Assembly in 2002. Executive power was devolved by His Majesty the King to a Council of Ministers in 1998. Both the GYT and DYT Chattrims that spell out administrative, regulatory and financial powers of the GYT and DYT were revised with extensive guidelines and enacted in 2002 with the assistance of the DSP. The GYT and DYT while keeping in line with the prevailing acts and laws can enforce regulations and guidelines that are applicable within their dzongkhags and geogs.

In 2001, the preparation for the 9th FYP saw bottom-up planning for the first time. This plan unlike the earlier five year plans was drawn up from the grass root level after several rounds of consultations and with direct involvement of community members. Plans were routed to the central government following consolidation at the GYT and DYT level. Plans are further screened and consolidated by line ministries and ultimately by the Department of Planning (DoP) of the MoF (formerly Planning Commission Secretariat). The total outlay of the plan is Nu 70,000 million (USD 1.5 billion).

In 2002 the first ever elections based on the principle of universal adult franchise was exercised in which the Bhutanese people elected their local leaders (Gups and Maangmis) at the geog level. Bhutan is currently implementing its 9th FYP (2002-2007), which is geog based and includes 201 plans from all the geogs (recently increased to 202 geogs).

In 2004, under the support of DSP, the procedures for the DYT and GYT Chattrims were drawn up to facilitate the implementation of the Chattrims by local leaders after it was assessed that the interpretation and consequently the practice of the Chattrims varied around the country.

In 2005, the DLG under the MoHCA was created with the mandate to:

- i) support and enhance the capacity of local government so that the wishes of the people as expressed through the Dzongkhag Tshogdues and Geog Tshogchungs are fulfilled as per the provisions of the DYT and GYT Chatrimis;
- ii) guide, supervise and support the development and strengthening of the dzongkhag and geog administrations and ensure their efficiency and effectiveness in the discharge of their responsibilities and to facilitate the pursuance and implementation of national policies and interests by the local governments in the overall interest of promoting peace, harmony and good governance. In principle the DLG presently coordinates all projects that are formulated and implemented to facilitate the decentralisation process in Bhutan.

However, other projects are being implemented that partly support decentralisation, (which are presented in the below table) but being implemented by other ministries/agencies. In many cases this leads to overlap of administrative authority which again leads to instances of duplication and repetition of efforts in the districts. The MOHCA/DLG should consider in future to chair coordination meetings involving the various sector ministries to better handle sector coordination issues.

In October 2005, the Good Governance initiative of the Government, started in 1999, was reviewed by a high level Task Force. In regard to decentralisation, the review outcome entitled 'Good Governance Plus' recommends giving more autonomy to the dzongkhag and geog levels by introducing a three-year and two-year rolling planning framework respectively. (The introduction of the APF). The report also proposes increased tied and untied fiscal grant transfers to local levels (both districts and geogs) and the planning framework will be based on the Medium Term Fiscal Framework (MTFF).

The governmental agencies engaged in the decentralisation process come from a wide section of the establishment. The apex institutions are the MoF/DOP and Department of Budget and Accounts (DBA) providing resources for planning, M&E and financing of decentralised projects. Then follow the line ministries that are represented in the dzongkhags and the geogs through their respective sectors assisting DYT's and GYT's in implementing the projects with technical back up and supervisory services. The main ministries are the ministries of Agriculture, Health, Education, Works and Human Settlements and Trade & Industries. The Royal Institute of Management (RIM) is involved in providing training to GYT's and dzongkhag sector staff based on needs conveyed by the MoHCA and other sector ministries.

Donor Support for Decentralisation

In 1998 one of the first donor initiatives in support of the decentralisation process was the SCDMD Project which included the GDFA. As a preparatory assistance project, the SCDMD focused on strengthening the enabling environment for decentralisation, put in place project management systems and experiences that would ensure effective execution of the anticipated larger project and test a process of geog-level sub-project financing, planning and implementation. Following the evaluation of the experiences with SCDMD, and especially the GDFA, the RGoB and UNDP/UNCDF decided to initiate the development of the DSP.

At almost the same time the MoHCA encouraged JICA to support decentralisation in much the same way as the UNDP/UNCDF/SNV supported DSP does and a programme called

the Local Governance & Decentralisation Project (LGRP) is piloting capital grants in the districts of Trashigang in the east, Bumthang in the central region and Ha in the west. The main aim of project, which is built on the PD of DSP, is to enhance capacities for strengthening local governance and decentralisation and to facilitate and ensure improvement in the delivery of public services to communities.

Other donors that have been active in supporting decentralisation and governance efforts in the past are SNV through an eight year 'Integrated Sustainable Development Project' in Zhemgang that closed in 2002 and Danida that supported the Good Governance/Public Administration Reform Program (GG/PARP). The GG/PARP was signed in 1997 supporting institutions at the central level mainly the RIM, Department of Revenue & Customs, Royal Audit Authority, Division of Information Technology and the Royal Civil Service Commission. The second phase of the GG/PARP programme is currently being implemented.

Several donors continue to fund projects directly related to decentralisation. Others finance activities at the geog level. The table below lists the donor-supported projects currently supporting aspects of decentralisation.

Table 1: Donor-supported projects in decentralisation

1.	Wang Watershed Management Project Implementing agency: MOA Donor: EU Duration: September 2000 – June 2007 Amount: USD 16 million Approach: Building capacity at decentralised level. Sub-component strengthening capacities for decentralised planning, monitoring and reporting at geog level supporting the districts of Ha, Paro, Chukha and Thimphu.
2.	Human Resource Development support to the National Finance Service Implementing agency: Ministry of Finance Donor: Helvetas Duration: July 2001 – December 2006 Amount: USD 1.5 million Approach: As part of the project, training of accountants at centre and district, and accountants at geog level to build financial skills at geog level.
3.	East Central Region Agricultural Development Programme (ECR-ADP) Implementing agency: MOA Donor: Helvetas Duration: November 2002 - June 2007 Amount: USD 1.9 million Approach: Strengthening of rural development through supporting agricultural activities and infrastructure and local development initiatives by cooperatives/groups with funding in the 4 dzongkhags of Bumthang, Trongsa, Zhemgang and Sarpang
4.	Good Governance/Public Administration Reform Programme II Implementing agency: MOHCA/RCSC/RIM Donor: Danida Duration: March 2003 – March 2008 Amount: USD 6.5 million Approach: Support to strengthen capacity to implement public decentralisation as per the DYT/GYT Chatrimts.
5.	Decentralisation Support Programme Implementing agency: DLG/MOHCA Donor: UNDP/UNCDF/SNV/Danida Duration: June 2003-December 2006

	<p>Amount: USD 3.5 million</p> <p>Approach: Capacity strengthening at center, District and geog level, provision of block grants to 32 geogs in Gasa, Pemagatshel, Trongsa, Lhuntse and Zhemgang</p>
6.	<p>Support for Implementation of Micro-Environmental Action Plans (MEAPs)</p> <p>Implementing agency: NEC</p> <p>Donor: UNDP</p> <p>Duration: July 2003 – June 2005</p> <p>Amount: USD 180,990</p> <p>Approach: Capacity building for GYT/DYT members to identify and manage environmental resources. And a grant of Nu. 220,000 each to 40 geogs to implement their MEAPs.</p>
7.	<p>Rural Development Training Project</p> <p>Implementing agency: NRTI/MOA</p> <p>Donor: Helvetas</p> <p>Duration: November 2003-October 2007</p> <p>Amount: USD 1.5 million</p> <p>Approach: Based in Zhemgang but with country-wide mandate focus on capacity strengthening of people at grass-roots level. Part of the project focus on Gups and community leaders.</p>
8.	<p>The Local Governance and Decentralisation Project</p> <p>Implementing agency: DLG/MOHCA</p> <p>Donor: JICA</p> <p>Duration: March 2004-March 2006</p> <p>Amount: USD 2 million</p> <p>Approach: TA, capacity building and budget support to geog development activities in all geogs in Ha, Bumthang and Trashigang</p>
9.	<p>Food for Work Projects</p> <p>Implementing agency: MOA and MOWHS</p> <p>Donor: WFP</p> <p>Duration: 2004 – 2007</p> <p>Amount: USD 135,000 for the first 4 projects</p> <p>Approach: Providing food for work for construction of power tiller tracks and mule tracks organised by the GYT. In addition the amount of USD 4000 is provided into the LC account for material for constructing the tracks.</p>
10.	<p>Decentralised Rural Development Project</p> <p>Implementing agency: MOA</p> <p>Donor: The World Bank</p> <p>Duration: March 2005 - September 2009</p> <p>Amount: USD 7 million (credit)</p> <p>Approach: Construction of bridges, farm roads and RNR/Geog Centres directly under the District, irrigation channels implemented by the GYTs. Also, support to institutional support.</p>

From the above table it is evident that the various sectors target the same actors at district and geog level especially in terms of capacity development and in small scale agricultural and infrastructure development. This is increasingly putting pressure on the lower local government levels as capacity development and sectoral development issues are somewhat uncoordinated. DLG has recognised the need for better sector coordination and are taking initiatives within human resource development planning to address these.

The decentralisation process initiated some three decades ago has evolved to the present pre-Constitution era. It is expected that decentralisation will be a continuous process given the recent initiatives towards democratisation and the good governance policy review. It is expected that the decentralisation process will continue to deepen and strengthen local democratic and administrative systems. With the framework described in the GG+ report for a formula-based fiscal transfer system to both dzongkhag and geog level for both tied and untied grants, the RGoB will need both TA support and increased budget support in the near future to develop the system countrywide. The GG+ is proposing to radically change

the planning and budget process in Bhutan by adopting a two-year and three-year rolling budget system and retaining the five-year planning horizon but only as a framework. Budget allocations will be governed by a Medium Term Fiscal Framework (MTFF) that will allow for allocation of both tied and untied grants to geog, town and district levels.

3.2 Project rationale

With the relatively successful experiences of implementing the SCDMD/GDFA RGoB and UNDP/UNCDF and also SNV wanted to follow up the positive experiences piloting the GDFA mechanism and to continue pilot discretionary block grants in a wider number of districts/geogs. The hope was that eventually the DSP outlined capital block grants would be the designated national block grant transfer system.

It was discovered in the early months of the DSP to be a problem (not to be able to incorporate new activities in the proposed DSP geog activities) and it therefore became part of the procedure mentioned in the implementation manuals that new (not included in the 9th FYP) activities could replace existing proposed activities if deemed more relevant. The change has to be approved by the DoP before the change can be accepted in the actual plan on the national level and hence receive funding.

The RGoB, therefore, as a direct outcome of implementing DSP, now allows geogs to propose investments in projects that have not been reflected in the 9th FYP document of the geogs. The DoP supports this process as it is increasingly evident that approval for ad-hoc projects outside the FYP is being given. This provides flexibility to geogs to use funds for activities that they had not initially been identified as priority needs under the 9th FYP. Discussions with GYT representatives during the MTE field visits proved that the DSP Decentralisation Support Fund (DSF) has been extremely useful in furthering this process. This procedure has actually been mainstreamed already as part of the implementation manual of the GYT/DYT Chathrims.

While the UNDP/UNCDF assistance under DSP is confined to capacity development, capital investments and technical backstopping services, SNV provides TA on demand with an annual TA Plan to be submitted each year. SNV also provides some long-term TA (e.g. Cooperatives Advisor and more recently the DLG M&E advisor) and financial support to various aspects of the Programme's capacity building activities. SNV does not contribute to the DSF. Danida is not directly a part of the DSP but does provide assistance to institutional capacity-building of MoHCA and for preparation and dissemination of lessons learnt through the Bhutanese media. However, this last part, pertaining to the dissemination through the Bhutanese media of experiences with decentralisation, has not taken place and it is not certain that it will in the near future.

3.3 Project status

An brief overview of the implementation of activities under the project up to November 2005 is given below. The activities are listed per output and brief remarks are given in terms of how far the Programme has come in attaining the intended outcomes/outputs.

Table 2: DSP 2003 – 2006

Narrative	Performance Indicators	Achievements	Remarks
Long-term	All indicators disaggregated by Geogs, Dzongkhags, and sex: -Population (%) below food		

Narrative	Performance Indicators	Achievements	Remarks
Outcome Measurable reduction in spatial disparities of GNH as confirmed by standardized verifiable indicators	poverty line -Population (%) below US 1\$ / day -additional indicators used according to outcomes of local development planning		
Intermediate Outcome Women and men take greater control of their own development planning & implementation management decision making	-Increased access (in %) to locally identified basic services (user rates disaggregated to sectors, sex, Geogs and Dzongkhags) -Refinements in planning and financial management system incorporated into instructions for preparation of all Geog plans -Increase in % of discretionary budget resources by RGoB for Geogs -Cooperative Development Strategy implemented (Chap 8, Art 29, Cooperative Act, 2002) -Public satisfaction with accountability and transparency of GYT and DYT, and service provision (sex disaggregated)		
Output 1 Sensitised local governance institutions create a local enabling environment for complete decentralization policy implementation	- # of GYT's and DYT's with regular meetings (ref. Art 6 DYT, Art 7.1/3, GYT chathrim) - # of DYT decisions carried out by Dzongkhags administration (ref Art 13 of chathrim) - # of Dzongkhags providing technical backstopping to GYT's (ref Art 9.1 of GYT chathrim) - # of Dzongkhags reporting on GYT issues at higher level (ref Art 12.2, DYT chathrim) - PPD (MoHA) considers specific training of sector units on decentralisation -# of Geogs where payment of contractor is authorized with Technical Approval (ref Art 9, GYT chathrim) -Lessons learned systematically documented, analysed and shared with national and local decision makers -Effective usage of chathrim in at	<ul style="list-style-type: none"> ▪ Dzongdags' meeting on decentralization held ▪ 2003 Annual Conference for GYT/DYT chairmen supported by DSP ▪ All Dzongkhag Planning Officers trained in the use of RGoB Budget & Accounting System ▪ Dzongkhag sector staff from Gasa, Pema Gatsel, Trongsa, Lhuentse and Zhemgang trained in Facilitation and Participatory Community Planning ▪ 32 GYT's trained in Geog Planning Facilitation ▪ DSP Implementation Workshop held for Finance Officers, Planning Officers, and Geog Accountants of the 5 Dzongkhags + staff from MoHCA, MOF (DBA/DOP), RIM, SNV, UNDP, UNCDF 	<ul style="list-style-type: none"> ▪ The DYT and GYT Chathrim widely distributed and being adhered to. The system as described in the law is now functioning. ▪ However, no PIR carried out. CBS made study regarding minutes of meetings of GYT's/DYT's but the findings of the report not shared with the MTET ▪ Very little concrete data about lessons learned and no apparent dissemination or analysis carried out ▪ All incoming civil servants are not being trained in decentralisation. No specific module has

Narrative	Performance Indicators	Achievements	Remarks
	<p>least x % of all GYT's</p> <p>-All incoming civil servants assigned to Dzongkhag or geog level exposed to decentralisation training module</p>		<p>been developed by the training institutes</p>
<p>Output 2</p> <p>Policies and practices enhancing citizen participation in local planning, decision-making and implementation management are institutionalised as a result of the successful implementation of the DSF</p>	<p>-# of Annual Geog Plans approved as submitted</p> <p>-Prioritisation procedures well known at Geog level</p> <p>-Gup authorizing payments for local contractor (ref Art 11, GYT chathrim)</p> <p>-# of local contribution (in cash or kind) mobilised as planned</p> <p>-# of GYT's under Gup providing oversight on project implementation (ref Art 9, GYT chathrim)</p> <p>-# of micro-projects implemented within agreed time line and budget allocation</p> <p>-# of GYT's with trained and operational tender committees (ref Art.9.16, GYT chathrim)</p> <p>-Public has ready access to decisions made by GYT's and DYT's (ref Art. 7, chathrim)</p> <p>-# of GYT's putting requests for maintenance to national budget</p> <p>-# of requests followed up</p> <p>-# of GYT's using their own revenue to cover maintenance costs (ref Art10.5/6, GYT chathrim)</p> <p>-# of investments with as-signed management committees for maintenance</p>	<ul style="list-style-type: none"> ▪ Inventory of Participatory Planning/Budgeting experiences carried out by SNV through local TA ▪ Development Grants disbursed to 32 Geogs for locally defined development activities as per geog plan ▪ All 32 Gups invited for first time to on trial basis to participate in annual budget negotiations for national budget March/April 2004 ▪ DYT/GYT Chathrim's printed and distributed ▪ DYT/GYT Chathrim Implementation Manual completed, printed and distributed to all DYT's and GYT's ▪ Basic office equipment procured and disbursed to 176 GYT's ▪ SNV TA to DOP to produce Planning Manual for improved FY planning process 	<ul style="list-style-type: none"> ▪ Participatory planning tools used to develop Geog plans as part of 9th FYP. ▪ Local contribution to DSF projects well known but it is not clear exactly what is the level of community contribution per scheme. It seems to vary from scheme to scheme ▪ GYT's and GUP's are increasingly involved with monitoring and oversight of geog DSF projects. They are being assisted by Dzongkhag sector staff. ▪ DSF projects are being implemented on time but due to spill over between FY's they get delayed due to need for reapplication of funds from 1 FY to the next. ▪ Dissemination to the wider public of decisions made by GYT's normally orally not written. ▪ GYT's have almost no funds from own sources for maintenance (Nu. 30,000-50,000 per year per geog)
<p>Output 3</p> <p>Conducive conditions and support systems to create and manage local self-reliant co-operatives are established.</p>	<p>-Registration procedures established</p> <p>-# of cooperatives registered</p> <p>- # of Dzongkhags executing registration procedures and monitoring the cooperatives</p> <p>-# of sector services with explicit</p>	<ul style="list-style-type: none"> ▪ January 2004 SNV long term advisor to MoHCA to assist in implementation of Cooperatives Act 2001 ▪ Dzongkhag level Cooperatives Workshop held in June 2004 ▪ Farmer Groups' workshop on Cooperatives Act held in June 2004 ▪ 13 Cooperative Focal Points nominated in ministries and agencies and 	<ul style="list-style-type: none"> ▪ The Cooperatives Chatrim has been delayed in finalisation. The final draft available January 2006. ▪ Cooperatives to be established in future

Narrative	Performance Indicators	Achievements	Remarks
	policy to support cooperatives -Cooperative rules and regulation available at Dzongkhag level - Network established supporting coherence among members and feeding experiences into strategy development (see coop Act)	workshop held for the focal points <ul style="list-style-type: none"> A series of brief workshops on Cooperatives Act held for Chairpersons of DYT's and GYT's, and for leaders of farmer groups and associations Final Draft of Cooperatives Regulation, 2005 prepared 	<ul style="list-style-type: none"> The registration procedures and the district monitoring to be institutionalised
Output 4 Capacity enhanced in MoHA to provide overall management support for RGoB decentralization policy and implementation	-Progress reports available with an analytical review of the implementation process on a timely basis -Responsibilities assigned in AWP fully executed by implementation agencies -NSC meeting held at least once a year -PPD coordinates inter-sectoral working groups -MoHA initiates appropriate training for improvement of management skills	<ul style="list-style-type: none"> Regular monitoring and field visits to monitor progress and help to develop managerial capacity A staff from DGL participated in UNCDF regional decentralization workshop Equipment procured for project management by MHCA Training for all Dzongkhag Administrative Assistants, Office Secretaries, Data Manager and Computer Operators in Data Management, Office and PC Management in 2004 and 2005 Two reports produced looking at the existing planning and budgeting system and implementation of local governance legal framework Long term international TA from SNV to MoHCA for LG M&E system Decentralization Study Tour for MoHCA and dzongkhag staff conducted Decentralization workshop for government officials and donor representatives held 	<ul style="list-style-type: none"> Progress reporting under DSP has been lacking. No consolidated over progress report for the programme. Progress reporting split over physical reporting from districts/geogs to DoP and financial reporting to DBA The NSC has not met for over a year now. Inter-sectoral working groups to be instituted

The below table gives a preliminarily overview of expenditure under DSP. However, MTE has not been able to get an exact overview of expenditure incurred by the Programme, as figures were not readily available from SNV.

Table 3: DSP Budget and Expenditure²

	UNDP	UNCDF	SNV	Total
Total Budget for 2003 - 2006	1,756,500	1,000,000	592,400	3,348,900

	UNDP	UNCDF	SNV ³	Total Expenditure
2003	278,275			278,275
2004	419,685	350,653		570,338
2005	477,734	19,299 ⁴		497,033
Total	1,175,694	369,952		1,545,646

² This budget overview has been hampered by the different format for budget and expenditure reporting from UNDP and UNCDF. It has not been possible to get more details in an easy overview format.

³ The MTET was not able to get expenditure figures from SNV

⁴ UNCDF has not yet released funds for DSF for the FY 2005-2006.

4. Evaluation of DSP

4.1 Results Achievement

4.1.1 Output 1

Sensitised local governance institutions create a local enabling environment for complete decentralisation policy implementation

Design Target

The target outputs under output 1 are: i) The letter and spirit of the DYT/GYT Chatrimts are understood and implemented in all participating Dzongkhags and ii) National training institutes and training units of government agencies understand fully decentralisation policy and provide training that is supportive.

Analysis of Progress

In May 2003, the first Annual Conference for the GYT (Block development committee) and DYT (District development committee) chairmen was held in the Capital, Thimphu. The conference provided a unique opportunity for about 211 elected local leaders to exchange ideas and interact with officials from the various central ministries. Based on the successful experience, the conference was held again in June 2004 and in 2005 with the assistance of JICA.

In November 2003 RIM conducted the first round of training for GYT members. The training aimed at strengthening geog capacity in identifying and addressing their development needs and priorities. Orientation was provided to the district sector staff. As of January 2005, all 32 Geog Development Committees supported by DSP have received the training.

The Dzongda (district governor) appointed by RGoB plays a significant role in facilitating the decision making process at the district and geog levels. As such, it is vital to have full understanding and support of the Dzongdas regarding the decentralisation process. In July 2003 in connection with the National Assembly's annual session the programme supported the first Dzongda meeting on decentralisation. Dzongdas from all 20 districts met and discussed decentralisation related issues for greater coordination and corporation. This exercise was repeated in 2004 and 2005.

RIM has carried most of the training activities related to participatory planning in the districts and geogs. Almost 250 people in the DSP districts have participated in this training exercise. Unfortunately RIM did not register the participants by gender.

In April 2004, all 20 District Planning Officers (DPO) were trained in the RGoB Budgeting & Accounting System (BAS). The planning officers are the main guide for the elected leaders regarding process, rules and regulations as well as the ones dealing with the geog planning and budgeting. The training was held at the RIM.

In January 2005, sector staff from the five DSP districts participated in a one-week Facilitation and Participatory Community Planning Training. The training was provided to enhance their skills to facilitate the geog development process in general and the planning process in particular. The training took place at the Natural Resources Training Institute in Lobesa, Thimphu, Bhutan.

In February 2005, District Finance Officers (DFO), DPOs and District Geog Accountants from DSP districts met with representatives from MoHCA, DBA/DOP, RIM, SNV, and UNDP/UNCDF to discuss issues regarding implementation of DSP. During the three-day workshop implementation bottlenecks were identified and solutions suggested and discussed by the participants. Also the GYT/DYT Chatrim implementation manuals were presented and discussed.

In April 2005, seven officials from MoHCA and the districts went to Thailand to study local governance, and a similar study tour was conducted in the early part of the project, in early 2004.

Challenges

The proposed linkage in the PD between DSP and the UNDP/RBAP Regional Governance Programme (PARAGON) never materialised. This was due to the fact that the RGoB did not in the first place want to be part of this system. Furthermore, the RGoB wanted a more indigenous system of training and capacity development based on own priorities and needs. However, the MTE has not seen evidence of any training institute in Bhutan that at this point offers specific decentralisation related training programmes in its curriculum. E.g the RIM offers generic post graduate courses in Development Management, Financial Management and Administrative courses, and Diploma level in the same fields as well as Information Technology, Tax Administration, Office Management and others. Furthermore, RIM offers specific courses for capacity development of senior and middle level staff within generic administrative topics as basic management, accounting, change management, performance management and human resource management.

In the original Programme Document it was the intention that resources should be focused on establishing decentralisation subjects in the curriculum of various training institutes. The MTE was not able to establish whether the Royal Institute of Health Sciences, Teacher Training College, National Institute of Education and Natural Resource Training Institute have included decentralisation subjects in their curriculum and, if they have, whether these have been reviewed for their compatibility with RGoB decentralisation policy. It would be fair to say that the DSP has not assisted the training institutes with integrating decentralisation subjects in their respective curricula.

The original idea in the PD was to have local geog programme facilitation through consultants, who presently work for RIM, but who could be used as private consultants in assisting districts and geogs in capacity development. However, it was already recognised by the Inception Mission in late 2003 that this provision under the PD was unrealistic due to its potential high cost for geogs who would not be able to support such activities financially.

RGoB/RIM will have to focus attention on preparing a new orientation package to the newly elected Gups in the coming year. Between 60-80 Gups will need the orientation package outlining the responsibilities of the GYT and DYT under the Chatrim.

4.1.2 Output 2

Policies and practices enhancing citizen participation in local planning, decision-making and implementation management are institutionalised as a result of the successful implementation of the DSF

Design Target

The target outputs under output 2 are: i) Structure of DSF is confirmed and codified as a basis for replication nationwide, clarifying financial, planning, contract management and monitoring processes and ii) DSF is fully implemented in at least 40 geogs concerning the planning cycle and project completion rates.

Analysis of Progress

In September 2003 UNCDF Advisor Joyce Stanley undertook a technical assistance mission to assist the MoHCA in various aspects of project implementation. The mission came up with a number of recommendations in regards to participatory planning, the DSF project selection criteria, the proposed allocation formula of adding 4% per walking day to nearest road head for capital grants, eligible investments and the issue of community contribution.

Development grants have been given to 32 geogs to support development activities, defined through community participation under respective geog development plans⁵. The first grant of USD 13,636 was given to each of the geogs of Gasa and Pemagatshel districts (a total of 11 geogs) in October 2003.

In July 2004 (at the beginning of the 2004/2005 Bhutanese FY) a total amount of USD 488,261 was distributed among all 32 geogs of the five districts: Gasa, Pemagatshel, Trongsa, Lhuntse and Zhemgang. Each geog received capital grants of between USD 15,000 to 18,000 depending on the distance from the nearest road head. A 4% increase in the capital grant was included per walking day from the nearest road head as a measure of insuring some degree of poverty sensitivity in the allocation of the capital grants.

In each geog, the Geog Development Committee⁶ was informed of the provision of the capital grants prior to the annual development planning, so that the Committee would be able to determine the best use of the fund. In 2004, all 32 Gups in DSP supported geogs were invited, for the first time, on a trial basis, to participate in the annual budget negotiations for the national budget held in the capital between March and April 2004.

As mentioned earlier the GYT/DYT Chatrim were enacted in June 2002. The MoHCA initiated a consultation process to develop an implementation manual for the local governance acts which was based on feedback from the local level regarding bottlenecks and ambiguities on the implementation of the Chatrim. In early 2005, the implementation manuals were finalised and distributed to all GYT's and DYT's as well as sector staff at the district and central level. The consultation process and printing cost in connection with the production of the manuals was supported by DSP and the JICA/LGDP.

In early 2005 basic equipment such as English and Dzongkha typewriters, whiteboards and a cyclostyle copy machine were distributed to 176 geogs. (The remaining 25 Committees received similar equipment from other projects). The main aim of the assistance was to enhance the capacity of the geogs to more effectively improve on their communication and awareness raising among the local communities.

⁵ Five Districts with a total of 32 Geogs were selected based on the poverty assessment report of 2001, with the aim of supporting the national goal of achieving equitable and balanced development.

⁶ The administration of the geog comprises of the elected chairman of the Geog Development Committee (Gup) who is also functioning as administrator and is paid a monthly salary of Nu. 6000. They are not considered a civil servant. The deputy chairman of the Geog Development Committee (Mangmi) is paid Nu. 4500 per month. Finally the Geog Clerk, who is paid Nu. 4000 per month and chosen by the Geog Development Committee is also a civil servant. "2004 Manual for the Implementation of GYT Chatrim, 2002".

Under the programme, SNV is providing technical assistance through one national and one international advisor. The two advisors have been assisting the DOP to produce a Planning Manual in order to improve the efficiency and effectiveness of the FYP process. The following activities have so far been undertaken:

- Two internal workshops held with MoF/DoP staff to identify and review the current planning process
- Consultation with the Policy & Planning Departments of all ministries on ways of improving the planning process
- One workshop held with MoF/DoP, Ministry and District Sector Heads to identify and review the current planning process
- Field based research undertaken in five districts to identify current planning practice and ways of improving this, particularly focusing on increased community participation
- Content of the Manual drafted, including the planning process, a step by step approach: what, why, how, who and when
- Participatory planning tools and techniques produced.

The Manual is now in a draft form and consultations are being undertaken within the DoP. The testing of the Manual and training for the preparation of the 10th FYP will take place in due course.

Challenges

The formula for deciding on the size of grants to DSP districts was developed after some initial inputs to the process from UNDP Regional Policy Advisor, Henrik Fredborg Larsen, (Larsen (2003) UNDP Report on Decentralisation) were rejected as being too complicated. A very simple system was introduced adding 4% per day of walking distance to nearest road point. This means that the basic grant of USD 15,000 (2004-2005) in some instances has been increased to USD 24,480 for Lunana geog in Gasa (11 days walk to nearest road point). The question is however if a geog like Lunana can effectively utilise USD 24,000 as the experience from the first years of implementing DSP in Gasa Dzongkhag have been somewhat discouraging. Gasa district has in many cases returned part of the DSF funds as at this stage of their development they simply can not utilize the funds for proper capital investment projects.

The DSP has introduced some degree of minimum requirements for participating geogs in terms of being able to access the DSF. However, there is no proper performance based system of following up the effectiveness and efficiency of the geogs in implementing block grant projects. Most geog projects seem well designed and managed but the MTET did also see examples of questionable geog projects which might have been avoided, or at least could have been better monitored, if a proper performance system was in place.

There is a long tradition in Bhutan for voluntary contribution to community projects (Woola) such as community schools, basic health units, foot trails, mule tracks, farm roads and irrigation channels. This means that most rural households have to contribute some days per month for community projects. A survey conducted by CBS showed that on average a household spent nearly 28 days on Woola in 2003. Remuneration receipt from Woola is very

low, with almost 68 percent of the Woola performers in 2003 not having received any remuneration. Under the DSF geogs have been requested to contribute between 5-10% of the total project cost as community contribution either in cash or kind. How the Woola system directly links to the community contribution demanded under the DSF is not always evident.

The issue of community contribution does not seem to be applied evenly over the many DSP/DSF projects that the MTET came across in the geogs. In the case of Gups offices it was stated the community did not contribute the required 5-10% in cash or kind. However, as evidenced in many other projects such as mule tracks, irrigation schemes, power tiller tracks etc, it was clear that community contribution in many cases exceeded the required amount. But the MTET did not find that this contribution was systemically traceable in the geog budgets for the schemes.

4.1.3 Output 3

Conducive conditions and support systems to create and manage local self-reliant co-operatives are established
Design Target

The target outputs under output 3 are: i) Implementing rules and regulatory framework for Cooperatives Chatrim is designed and introduced and ii) Cooperatives Chatrim is fully operationalised in DSP participating dzongkhags.

Analysis of Progress

DSP/SNV has been assisting the RGoB with developing the draft Cooperatives Regulations, 2005. SNV has been providing technical support in designing the rules and regulatory framework based on the Co-operatives Chatrim approved by the RGoB in 2001. SNV has also provided training and information exchange opportunities to fully operationalise the Cooperative Act.⁷ SNV Bhutan and MoHCA recruited a long-term expert to assist with implementation of the Cooperatives Act 2001.

A three-day workshop was organized for representatives of Farmers Groups in Bumthang District in March 2004, in which the Cooperatives Act was presented and discussed. Thirty-one farmers, group leaders and geog extension staff attended the workshop. Three community leaders were nominated to represent the community organisations in the consultative process to finalise the Regulations. Based on the workshop recommendations a draft of the Regulations was prepared.

Furthermore, a three-day workshop was held in June 2004 with the dzongkhag sector officials in Mongar to sensitise and discuss the draft cooperatives registration and regulatory framework. Twenty-five officials participated in the workshop. Useful contributions were made by the district officials based on their field experiences in community mobilization and management of local development programmes.

To facilitate cross-sector coordination in managing the cooperatives, the MoHCA requested relevant ministries and agencies to nominate Cooperative Focal Points. In January 2005, a two-day workshop was organized in Thimphu inviting 13 newly nominated sector Cooperative Focal Points. The workshop reviewed the draft regulations and registration

⁷ The Cooperatives Act of the Kingdom of Bhutan was enacted into law by the National Assembly in July 2001 and mandated the MoHCA to implement the Act. Now the newly established DLG is the focal point for the Act.

process for cooperatives and made recommendations on the implementation of the Act as well as development of cooperatives.

During 2004 and the first quarter of 2005, several briefing workshops were conducted to increase the awareness on various provisions of the Cooperatives Act 2001 as well as on the importance of establishing cooperatives for the sustainable rural development. Below is a list of attendants at the briefing workshops:

- Leaders from about 12 farmers groups and associations from across the country in March 2004.
- All Chairpersons of 20 District Development Committees and 201 Geog Development Committees in April 2004.
- Agriculture extension staff from the geogs attending the Farmers Group Workshop in the capital Thimphu, in January 2005
- Gups and Geog Clerks from Southern Districts in January 2005.
- Gups and Geog Clerks from Western Districts in March 2005.
- Gups and Geog Clerks from Eastern Districts in March 2005.

Challenges

Due to the delay in finalising the draft Cooperatives Chatrim Regulations the DSP will be hard pressed to implement the anticipated activities as outlined in the PD. DLG will have to ensure that NRTI and RIM are quickly involved in designing and delivering the orientation package to all 20 districts. Furthermore, TOR will have to be drawn up for the TA for assisting in procedures for formation and registration of cooperatives under the regulations.

4.1.4 Output 4

Capacity enhanced in MoHCA to provide overall management support for RGoB decentralisation policy and implementation

Design Target

The target outputs for output 4 are: i) The capabilities of the MoHCA are strengthened to enable it to manage DSP, ii) The capabilities of the dzongkhag staff are strengthened to manage the project, iii) Additional donor cost sharing is obtained to expand the project starting in year 3, and iv) Lessons from successful DYT/GYT, DSP and cooperatives operations are documented, disseminated and used by national and local decision makers in support of decentralisation.

Analysis of Progress

In September 2003, at the beginning of the programme, two studies looking at the existing planning and budgeting system and implementation of the local governance legal framework were undertaken to better facilitate management and coordination by MoHCA. These were:

- ✓ *Inventory of the Planning and Budgeting System, September 2003*
- ✓ *Inventory of Sectoral Initiatives in Support of DYT/GYT Chatrim, Implementation Experiences in Bhutan, September 2003*

Some field visits have been undertaken in order to monitor the progress as well as to help develop managerial capacity in the districts/geogs (a list of some of these visits is given below with meetings held in Thimpu with district/geog staff also indicated). However, Pemagatshel and Lhuntse districts have not been visited once by either DLG staff nor UNDP/UNCDF staff during the implementation of DSP. Mostly these districts have been off limits due to the insurgency. Whenever counterparts from the supported districts and geogs visited Thimpu for other tasks the UNDP Governance Unit took the opportunity to meet and discuss the programme.

- April 2004 meeting with the district planning officers from Gasa, Pemagatshel, Trongsa, Lhuntse and Zhemgang.
- May 2004 visit to Khamey Geog in Gasa District.
- May 2004 visit to Trongsa District.
- June 2004 meeting with all 32 Gups in Thimphu.
- August 2004 meeting with all Dzongdas (district governors)
- December 2004 visit to Trong Geog in Zhemgang District.
- January 2005 visit to Trong Geog in Zhemgang District, Korphu Geog and Dragten Geog under Trongsa District.
- March 2005 meeting with Gups and District Sector staff from Trongsa, Zhemgang and Pemagatshel in Thimpu.
- August 2005 meeting with all 32 Gups at the DYT/GYT Chairman Annual Conference in Thimphu.

As part of the DSP, CBS was contracted early on to monitor the implementation of decentralisation policy nationwide. CBS decided not to pursue the Policy Implementation Review strategy as outlined in the PD, probably due to its complexity and resource requirements. Instead a study on the discourse of DYT/GYT decisions was undertaken and the result presented during a decentralisation workshop in Thimphu in April 2005. However, a copy of this report has never been made available to UNDP/UNCDF.

DLG was established in February 2005. In order to facilitate the work of the new department administrative equipment such as computers, printers etc. were provided from DSP to ensure smooth operations of DLG.

In June 2005, one official from the DLG and representatives from UNDP/UNCDF Bhutan participated in the UNCDF regional meeting on local governance held in Thailand to exchange knowledge and ideas to the benefit of local governance programmes in various Asian countries. Their participation was funded partly by the DSP.

In August 2005, a monitoring and evaluation advisor was recruited by SNV to assist DLG in its monitoring efforts with regard to decentralisation. On 27 April 2005, a Decentralisation Workshop was organized to share information/findings from various studies on aspects of local governance, civil society and the national decentralisation process in Bhutan. Around 100 government officials and donor representatives participated in the workshop.

Challenges

Since the ambitious PIR strategy as outlined in the PD did not materialise, DSP is lacking in terms of basic data on development trends in the districts and geogs. However, the DLG have recently got the assistance of an M&E Advisor from SNV as mentioned above. Hopefully the Advisor will come up with a simple M&E tool for monitoring basic progress in the geogs in the not so distant future.


The DLG has been given capacity development both in terms of strengthened human resources and in terms of retooling. The MTET found that the DLG is sufficiently staffed and motivated in terms of playing its role in policy and sector coordination at the central level, but seems to be very weak in terms of actual follow up and overall guidance of the implementation process at district and geog levels. DSP should encourage the MoHCA/DLG to consider building up its capacity to better monitor and guide activities at local levels. This will also be necessary if the RGoB adopts a performance based grant system in future.

The MTET could only find limited documentation regarding the implementation experiences from DSP districts in terms of planning, budgeting, gender issues, equity, political and community representation. During the remainder of the project it would be useful to focus attention on documenting the examples of good and bad practices under DSP/DSF and draw out the main lessons learnt to inform the future AFP as outlined in the Good Governance + report from November 2005.

4.1.5 Achievement of development and immediate objective

The national decentralisation policy, supported by donor initiatives such as the DSP, JICA/LGDP and Danida's GGPRP, is translating gradually into enhanced capacity of district and geog administrations in terms of planning and financial management capabilities, which in turn leads to enhanced local prioritisation and decision-making. There are no firm measurable achievements as of yet, which have also been made difficult by the fact that no baseline was established for the DSP. The MTET finds that the immediate outcomes and outputs of the Programme still remain valid but considerable effort must be put into better documentation and data collection in the remaining part of the programme.

With this in mind the MTET finds that the early indications in terms of impact and change throughout the country are:

 Incremental But Steady Progress From De-Concentrated to Delegated to Partially Decentralised Governance

The Chatrimis have gradually moved delegated authority to the GYT's and DYT's. Decision-making regarding planning and financial management issues have been delegated down to especially district level but also further down to geog level. The GYT/DYT are respectively responsible for assessing local needs and priorities for inclusion in sector programmes. The traditional FYP still tends to generate wish lists from geog level further up to district level, where plans are adjusted according to the priorities of the sector programmes and funding envelopes. Central Government ministries and agencies continue to allocate and spend up to 75% of the national budget, and only 24% of all government spending is channelled through the various sectors at districts level, and only 4% is channelled directly to geog level. This makes the discretionary block grant system of DSP/LGDP unique in that the geogs have full control and authority over allocation and spending of these funds.

Decisions taken by the GYT are brought up and discussed at DYT level before being agreed upon and implemented. The geog plan under the 9th FYP included a summary of Geog plan outlay/budget, and development programmes by sector. DSP has been instrumental in supporting this process of bottom up planning and has been working in setting up the DSF with increased amounts of discretionary funds availed to geog investment plans. Many of the DSF investments have been projects identified outside the 9th FYP framework, which is an early indication of increased local decision-making in identification of priorities.

Widened But Not Deepened Representation

Initial findings, but in essence very unscientific and based on some preliminary observations of the MTET, indicate that political representation has widened in Bhutan with the introduction of the GYT and DYT. The Gups position has become powerful and influential by the fact that one now has some resources to “work” with and the fact that the post is remunerated. But what is not clear is if the representation has also deepened. Many of the elected representatives at geog level seem to be from the more well-off segments of Bhutanese society. In the geogs visited by the MTET a number of businessmen have been elected Gups indicating the relative importance of such a modernised post.

No Gender Discrimination But Little Gender Equity

The gender issues were not addressed at the programme development stage at all. The DSP only mentions gender in the intermediate outcome in terms of women and men take greater control of their own development management and planning. In the GYT's countrywide women have barely managed to be elected or even represent villages. GYT's are the highest decision-making body closest to where women live and where the major decisions affecting their wellbeing and development are made prior to submissions to the DYT's. Women's 'invisibility' and 'voicelessness' starts from that critical layer (community) of local governance. The MTET saw signs of women participation at village level meetings but besides from that women appear to have little or no say in what is being planned and decided. Their virtual absence makes the situation grave and to some extent a bit gender blind. (For a detailed assessment of the Gender Question see Annex 5 of this report).

However, on the positive side Bhutan is found to be more gender egalitarian than many other Asian countries simply because it is a tradition in Bhutan that daughters can inherit from their mothers and because women generally speaking have control over and a say in how family funds are used and divided. Women are not necessarily discouraged from taking an active part in economic life outside the family sphere.

Enhanced Accountability Through Democratic Process

With the institution of the GYT's and DYT's the onus is now on the democratically elected representatives to live up to both political and financial accountability both downwards as well as upwards in the system. It has been noted by other missions that geog sector staff also provide support to GYT's in preparing progress reports owing to incapacity of GYT functionaries. Financial management of geog funds seems to be the major constraint with geog functionaries. Geog functionaries at the moment are respected village elders with even less than basic education (Standard 10). Therefore, progress reporting and financial management are problematic issues although functionaries are being trained. The turnover of people in these posts is also high since gups', maangmi and gedrung tenures are three years while tshogpas' (village representative) terms can be as short as a year. Tshogpa's can

be a critical link in the needed contact between GYT and communities but might risk commitment and continuity since they only function for 1 year at a time.

DYT's are just starting to function as envisioned under the DYT Chatrim and in many cases they don't exercise strategic leadership. This could simply be because they still lack confidence in taking certain decisions, and largely because they are guided by the dzongkhag administration for all practical purposes. The control over the financial resources is still highly centralised as unused funds in a given year in the geog Letter of Credit # have to be returned to the DBA and then reapplied for if the geog investment spills over into another financial year. This often makes the elected gups/mangmis/GYT's more accountable to central government than to the public in general. However, with the proposed APF the RGoB has indeed recognised this problem and is going to rectify it by introducing three-and two-year rolling budget frameworks at district and geog levels.

Increased Focus on Human Resources

Inadequate human resource, both in terms of quantity and skills, is the biggest impediment to implementation of development programmes and activities. Human resource constraints are further aggravated by Bhutan's scattered population distribution, weak infrastructure, difficult topography and disruptive climatic conditions. Furthermore, qualified human resources are largely concentrated in central agencies due to better career advancement opportunities and access to better working amenities. As a result, there is often a gap between policy development at the central level and policy implementation at the local level. The geog administration has to rely on dzongkhag, regional and central institutions for technical backstopping and information which in certain instances slows down implementation of geog activities. At the geog level, the sector staff based there like the education, health, agriculture, livestock and forestry personnel provide support through technical know-how, awareness on sector policies, rules and regulations and monitoring.

The decentralisation policy has been focusing attention on capacity development of district and geog staff which to some degree addresses these issues. The national Assembly proposed/approved in November 2005 that in principle each geog should have an Administrative Officer thereby building up capacity at geog level for financial management and administrative issues, and relieving the gups of their dual role as executives and elected representatives of the communities.

Quarterly reports are submitted by the GYT to the dzongkhags. Again this is the ideal situation, in most cases quarterly progress reports are not submitted, but the district accountant or finance officer tries to find out what is going on at geog level, when they have the time. From now on (this financial year 2005-2006) DBA has gone back to the system where a progress report/work plan has to be submitted to DBA to avail quarterly releases for geog development activities. However, in practice the district staff will be doing this in consultation with the Gups.

GYT members have been targeted for many types of training by various sectors. Though members mention that training is useful, still, they appear to have problems in financial management and other tasks. Coordinated and sustained capacity-building activities through refresher courses or continuing advice through a process of M&E of training conducted related to specific job descriptions for the post may help in reversing this situation. Towards this, the DLG is in the process of drawing up a strategy with relevant sectors to institute a

coordinated decentralisation capacity-development plan for dzongkhags and geogs. DSP should be well placed to assist the RGoB in instituting HR plans at district/geog level.

4.1.6 Infrastructure and Service Delivery

All the block grant funded geog projects visited by the MTET address issues relating to poverty such as lack of access to market for farm produce by constructing farm roads, power tiller tracks and mule tracks, improvement in livelihoods through irrigation schemes and general improvements in access to roads through bridge construction. As can be ascertained from the below table most geog projects fall within four main categories, namely Education, Health, Agriculture and Roads/Bridges services. The geog investment projects have all been identified by the geogs as priorities of the local communities and are almost all outside the scope of the 9th FYP. This is an indication that there is a substantial need for these types of discretionary grants which the communities themselves can plan for. It was also noted by the MTET that the funds are being used pragmatically in the sense that GYT's give preference to certain projects benefiting one or two villages but with the understanding that other villages within the geog must be benefiting from the following years investment thereby ensuring a degree of internal equity.

The table below gives a summary of DSP funded projects in all five pilot districts. (For a more detailed overview of all DSP geog infrastructure projects under DSP see Annex 8).

Table 4: DSP Funded Infrastructure Projects per category FY 2003/04 & 2004/05

Category	District	Number	Expenditure (USD)	Average
Education Services: Community schools, teachers quarters, fencing, guesthouse, playground and hostels	Pemagatsel Zhemgang	26	129,007	4,961
Health Services: Construction ORC, water supply, RWSS, construction BHU pit, drinking water supply	Pemagatsel	21	28,307	1,347
Livestock Services: Establishment of Dairy farm	Trongsa	1	13,954	13,954
Agricultural Services: Spring protection, maintenance reservoir tank, fencing, plant and equipment, river source protection, irrigation channel, landslide protection	Pemagatsel Zhemgang Trongsa Lhuntse	18	94,775	5,265
Road and Bridge Services: Maintenance of mule tracks, construction of bridge, maintenance of road, construction of farm road, steel truss bridge, suspension bridge	Pemagatsel Zhemgang Trongsa Lhuntse Gasa	31	225,969	7,289
General Administration Services: Construction Gup's office, Mic set for public functions, construction of guest house, construction of public hall	Pemagatsel Gasa	10	59,561	5,956
Grand Total		107	551,573	5,155

Initially the districts and geogs were not well informed about the criteria and requirements for utilisation of the DSF under DSP. The first round of training by RIM in the geogs took place in November 2003 and aimed at strengthening the capacity of geogs to plan and priorities. Only by January 2005 were all 32 Geog Development Committees trained and in some cases the district staff had only been sensitised. In January 2005 sector staff the five DSP districts attended a one-week facilitation course on Participatory Community Planning. The training was conducted at NRTI.

Procurement of goods required for the infrastructure projects are carried out in accordance with the Financial Manual guidelines. If contracted out, the quantity and quality of the materials procured is checked by the Gup but procured by the Contractor as per specifications. For projects where procurement is centrally coordinated the material is supplied to the dzongkhags (e.g. from the central supply store in Phuntsholing). The procurement of material seems to be proceeding well, in accordance with official procedures with the added value of the Gup's check on procured material.

It was not possible for the MTET to compare the structures built in the field with the drawings, estimates and specifications as these documents were neither available at site nor was possible to access the drawings at district level due to time constraints. However, from observation of the work in progress on the project sites, the quality of work was generally found good. Based on the needs for infrastructure development, the District Engineer (DE) as standard procedure carries out the technical and feasibility studies preceding design of the structures. There was an example of poor quality of design and implementation of an extension of a farm road to a power tiller track. It was not evident in this case that the DE had played a proper role in feasibility and design of the power tiller track, and thereby secured that quality of work was up to standard and within the budget parameters.

Most sectors assisting with infrastructure projects implementation in the geogs, have a procedure whereby they sign an undertaking with the users that the facility is operated and maintained by the beneficiaries once handed over. There are mechanisms in place in some of the facilities, namely drinking water supply and irrigation schemes, wherein users collect money and deposit in the bank as maintenance funds and use it for that purpose. However, for larger schemes like farm roads, power tiller tracks and Gup's offices, the resources needed for maintenance may be beyond the capacity of the users to mobilise. On average geogs collect local taxes of between Nu 40,000 to 60,000 (about USD 1,000) per year, which does not cover costs of maintenance of infrastructure. Therefore, there may be a need to institute a mechanism, depending on the ability of users to pay in cash or kind and supplementing funds for maintenance of structures.

The DE provides all technical backstopping to geogs for the design and implementation of their infrastructure projects. Normally they would allocate one junior engineer to supervise all projects (irrespective of type of project) in a geog or an engineer may have the responsibility to supervise specific projects (e.g. farm roads and power tiller roads and irrigation channels). Coordination of activities with line ministries and with regulatory authorities are being done but the time taken for obtaining clearances from the central level (NEC, Forestry Department) seem to delay commencement of work.

There is very little participation of beneficiaries in the design of the infrastructure. However, their role in the location of certain structures along alignments of roads, power tiller tracks and irrigation channels may be useful as they generally know the weak/unstable areas in the

area and can advise. In the construction of the infrastructure, communities are required to contribute labour (irrigation channels, water supply schemes, out-reach clinics) and sometimes for certain infrastructure not (farm roads, community schools, Gups' offices).

The whole issue of labour contribution for development projects is to be reviewed in the immediate future but the MTET was a bit confused as the DSP requirement of 5-10% community contribution in kind or cash was not always traceable in the geog budgets. As mentioned above most infrastructure is to be operated and maintained by the users sometimes at their cost. Certain infrastructure maintenance like Gups' offices are resourced from the geog budget. Feeder roads are centrally maintained by the Department of Roads. Therefore, it can be said that the level and quality of community participation differs and is contingent upon beneficiaries own capabilities, sectoral policies and availability of time and resources with beneficiaries.

The labour shortage also affects the overall implementation capacity at Geog level. It is reported by several District sector heads that most Geogs are not able to implement their planned activities, leading to a situation where the sector heads often have to go beyond their role as facilitators and instead push the Geog to complete implementation on time. It is often the case that due to the low implementation capacity in the Geogs, the implementation is managed by a team consisting of the Gup and sector heads rather than by the Gup and the community. This situation can lead to confusion as to who is actually accountable when something goes wrong.

For development infrastructure, traditionally two main implementation modalities are practiced at Geog level, (model 1 and 2 described below). Due to labor shortages, in some of the 32 Geogs receiving grants from DSP, the community started piloting other implementation modalities (model 3 and 4 described below).

The implementation modalities are⁸:

Traditional/Existing Implementation Modalities

1. Community implemented: Hardware provided and skilled labor paid from projects budget, while the community contributes all other labor required. Although "cheap" with respect to the project budget, this modality can be slow and difficult to implement with high opportunity costs for the community laborers.
2. Departmental execution: GYT request the sector to implement the project and hands over the budget and full responsibility to the sector/department. This modality is easy for the community and implementation in general fast, but this depends on the departments' capacity and willingness.

New Implementation Modalities Piloted

3. Contract basis: The entire project is given to a contractor to implement. This modality is easy and fast for the community, but expensive, and it is not always possible to get a contractor to carry out the work.
4. Community managed: The hardware is purchased and both skilled and unskilled labor is paid Nu. 100 per day from the project budget. Although more expensive

⁸ The following paragraphs are from Challenges of Decentralisation in Bhutan, Coordination and Human Capacity, Discussion Paper 1, UNDP Bhutan June 2005.

than the existing mechanism, this modality is fast and the most popular with the communities.

The new implementation modalities mentioned are piloted only in some of the 32 Geogs supported by DSP. The debate of how best to deal with issue of Woola and community versus private contractors involvement in infrastructure development and implementation is very much on-going and RGoB is expected to continue to seek a solution to this problem.

4.2 Variables Affecting Successful Implementation and Results Achievement

4.2.1 External factors:

The policy environment is generally very conducive to successful implementation of DSP activities and to the attainment of the DSP intermediate outcome of women and men taking greater control over their own development planning and implementation and more involvement in decision-making processes. The GYT and DYT Chatrimis (2002) and the subsequent manual for implementation are guiding the decentralisation process. Current institutional developments in Bhutan take place in a rapid pace and changes are envisaged in the institutional set-up of the country. The Constitution of Bhutan, presently being discussed in consultations throughout the country, has as one of its main characteristics to institutionalise the separation of the three powers - legislative, judiciary and executive and to safeguard the democratic processes and ensure further popular participation in decision-making processes. Furthermore, the draft Constitution clearly enshrines the decentralisation policy in Article 22. It is expected that the draft Constitution will be finalised during 2006 – 2007 and then approved in 2008. Based on the Constitution it is the intention of the DLG to start drafting a Local Government Act shortly, which will focus on taking past experiences and lessons learned into consideration.

According to the GG+ report DLG is also thinking about separating the dual function of the Gups as at present they both decide upon and execute geog plans, budgets and projects as part of the GYT. This practice means that they are in principle monitoring their own initiatives and this leads to conflict of interest. Furthermore, the proposed APF will mean that central, district and geog staff will need reorientation in performing new roles and functions in a changed decentralised system. The Royal Civil Service Commission has recently completed an assignment to reclassify the whole civil service in Bhutan, and it is expected that each position in future will carry a job description making it easier to develop a HRD plan at each level of government and monitor it. This means any future capacity development initiatives should be linked to an HRD plan originating at district level but especially also covering the needs of geogs.

The political unrest during the past 10-15 years and the low-level insurgency in especially the southern districts bordering India has had some impact on implementation. Two of the districts have had problems in this regard and one district has been off-limits for monitoring visits until recently. This means that neither staff from DLG or project related staff from UNDP/UNCDF/SNV have visited Pemagatshel, which of course makes it very difficult to follow up and monitor properly the activities. This clearly makes the piloting nature of the Programme in that situation very questionable.

4.2.2 Project-related factors:

The Inception Mission of June 2003 focused on the general division of responsibility in implementing DSP/DSF and assisted the Programme Management and stakeholders in launching the DSP and to establish the M&E indicators as well as an annual work plan for 2003/04. The project's M&E plan was improved by the Inception Mission in that indicators from the original PD were reformulated to enable some degree of measurability of the outputs and outcomes. However, it is noted that though one of the work plans (2003) lists the indicators and even gives some progress figures against some of the indicators, there appears a general lack in reporting by results through assessment of the identified indicators of the project and no systematic follow up can be seen on this issue in the following period.

Although mentioned in the PD that progress reporting is to be done on a quarterly basis, the MTE was not able to access systematic physical and financial quarterly progress reports. It was reported that the DoP has now obliged the dzongkhags to submit six-monthly progress reports for physical performance and that based on work plans, which are submitted by the dzongkhag to the DBA, and monthly expenditure reports, budget releases are subsequently carried out. The UNDP Governance Unit has been trying to secure one consolidated report from government on both physical and financial reporting and it seems that agreement on this point has now been reached, so that DLG will forward this to UNDP/UNCDF.

The DSP annual work plans formats for the fiscal years 2003-2004 and 2004-2005 are different. While the first work plan appears to be for the MoHCA the second one seems more UNDP/UNCDF based. Unfortunately a common format was not agreed upon by the Programme partners. Hopefully this situation will be rectified when DoP releases the Planning Manual incorporating a work plan format for wider use.

Project Design

In general the MTET has found that the PD and the initial project preparation process has been adequate and of good quality. As already mentioned by the Inception Mission (June 2003), the formulated outputs in the PD tend to be rather lengthy and not very concise outputs that can be easily measured. One of the tools envisioned by the PD as being the cornerstone in terms of providing potential useful data over the programme period was the PIR strategy. However, this was never adopted by the RGoB and therefore very little material exists on pre-project situation in the geogs, and very little for use of monitoring DSP outputs. Even the Inception Mission does not mention a baseline for the programme.

The PD refers to the development of Geog Profiles for the geogs in which DSP/DSF is active. These Geog Profiles could have served to provide substantial useful baseline information. Since the DoP was working on a Geog Planning Information System (GPIS) at the time of programme inception, plans for development of Geog Profiles were stalled by the DSP. However, the web-based GPIS is not easily accessible and in many ways not usable at this stage. Had it been so, the programme management may have used it to integrate baseline figures for e.g infrastructure facilities to measure the increase in facilities in the geog over time.

It is, therefore, not possible to assess for the DSP dzongkhags vulnerable populations/areas, poverty issues, particularly as they relate to vulnerable groups in the areas of intervention. Furthermore, data on access to, and functioning of, infrastructure and services is also lacking. A way out may be to assimilate information from secondary documentation like the Poverty Analysis & Assessment Report, 2000 and other poverty-related studies undertaken

recently. Furthermore, the Annual Statistical Bulletins of the Central Statistical Bureau, the 9th FYP and Geog Plans, the GPIS (when complete and accessible), annual sector plans and implementation reports among others could hold some useful data. However, the exercise of distilling this data is tedious and very cumbersome and risks being a bit superficial as data might not be compatible.

Since establishing a baseline for the project at this point in time is implausible, one of the alternatives would be to use the planning approach tested by SNV (Dzongkhag Rural Access Planning Guideline, version 2, August 2005) in Trongsa and Trashiyangtse dzongkhags. This planning tool is now scheduled for roll-out in six districts supported by IFAD in the east and six World Bank supported districts. This approach basically calls for gathering all relevant information in the various districts in terms of access roads, rural transport infrastructure like farm roads and other infrastructures. Furthermore, during testing in the two pilot districts this ILO developed planning tool has been able to come up with a lot of non-road access data, such as schools, basic health units, community structures and so on, which has prompted a meeting between the Ministry of Agriculture and DoP to see if this tool could be the basis for future infrastructure planning at district/geog levels.

The current absence of a baseline does not ease monitoring of project progress from a pre-project situation. Relying on the Rural Access Planning Guideline and/or the GPIS and other sources could go some way in establishing the baseline. However, this has to be put together for the selected dzongkhags and geogs of the DSP. Moreover, the project is already more than half-way through in terms of implementation, and it will entail some time and resources to establish such a baseline.

Project Management

DSP activities have been, and are, monitored and assisted by the Governance Unit of UNDP and backstopped by UNCDF Regional Office in Bangkok. Throughout the implementation of DSP the UNDP Governance Unit has been well staffed. In the beginning the Unit had a Head and two JPOs as well as an assistant. However, in recent times this has been slightly reduced and UNDP have been seeking to recruit a local head of the Unit for the past 6 months but to no avail. Furthermore, the present JPO ends her assignment in mid December and the Unit will be understaffed for some time as a replacement has not yet been identified. UNDP is presently trying to solicit support for a JPO post. The MTET has held discussions with RGoB and UNCDF and it would seem a very good idea if the UNDP Governance Unit could be resourced with one programme officer exclusively working with MoHCA/DLG and financed by UNCDF.

The DLG on its part basically oversees projects that are supporting the decentralisation policy of RGoB. DLG appears to be adequately resourced with equipment and staff in terms of carrying out its coordination functions at central level but seems to lack staff resources to effectively follow up issues and challenges in the districts/geogs. This would be one of the areas to focus attention on in future so that DLG could be resourced with additional staff enabling a continued performance review of districts/geogs.

The DBA provides assistance in release of funds to the geogs and also receives the work plans and budget proposals for every quarter based on which the DSF funds are transferred for the coming quarter. The DoP receives the quarterly progress reports from the dzongkhags, which might, or might not, include detailed financial data. The DBA's rather centralised role in assessing and clearing quarterly releases runs against the grain in terms of

effective decentralisation of process and financial management to districts/geogs. If the APF is implemented with the two-year and three –year rolling budget systems then the role of the DBA will be changed.

At the dzongkhag level, the main actors in the implementation of the DSP activities are the DYT with the mandate to review all proposals from the GYT and endorse the activities for implementation. The relevant dzongkhag sectors support the implementation of DSP activities in the geogs by providing technical support mainly preparation of designs and estimates and supervision of the work for instance in the construction of infrastructure investments like farm roads, irrigation channels, bridges, mule tracks or in providing know-how and monitoring in the case of agriculture and livestock related activities.

The DPO is key to supporting GYT's in planning and prioritisation. District Geog Accountants assist the DFOs and monitor releases of funds from the Geog Letter of Credit (LC) Account, and also in preparing the financial expenditure reports. Though the dzongkhag engineers provide backstopping and manage the activities in the geogs, for dzongkhags with very remote geogs (for example Gasa), overseeing many projects in different locations in a geog put a considerable strain on the DE staff.

As part of the PD a Programme Steering Committee (half-yearly meetings) was initiated to further information flows between RGoB and the Programme partners. During these meetings updates on project progress are presented by project outputs/results. This has worked very well in the beginning of the Programme but the Steering Committee has not met for over a year, which has hampered insight on key areas of challenges facing the DSP.

Block Grant System

The fact that the DSP is deeply rooted in the policy framework guiding the implementation of the decentralisation process in Bhutan is testament to the fact that sustainability of programme results are likely to be lasting. While DSP builds on the experiences of the GDFA, and in its present form covers as much as 25% of districts and 16% of all geogs, the programme has gained valuable experiences with providing discretionary funding to geogs. The capital development grants have stimulated the planning, implementation and financial management systems in a very concrete manner. The system of block grant transfers is, however, not only limited to DSP supported geogs but does, through both JICA assistance and the RGoB budget, have a countrywide reach building on the experiences of GDFA and DSP.

The DYT Chathrim (2002), vide Article 11 and Annex 1, spells out the budgetary powers of the DYT such as the prioritization and allocation of resources to geog and dzongkhag plan activities, re-appropriation of plan budget, and review and ratification of dzongkhag and geogs' accounts, including rural taxes. Likewise, GYT Chathrim (Article 10 and Annex 1) specifies the budgetary powers of the GYT for expenditures to be met from centrally allocated funds for the FYP. For the first time, Letter of Credit (LC) accounts have been opened for all geogs in the country in the Bank of Bhutan branches in the 20 dzongkhags.

Annex 2 (Schedule of Delegation of Powers to Dzongkhag and Geog levels) also specifies the power of the DYT, head of dzongkhag, GYT and Gup to re-appropriate the budget. The head of dzongkhags and Gups enjoy full powers regarding ordinary financial powers, which have to do with personnel emoluments/benefits, administrative and financial approval for constructions, utilities, travel, operating expenses and supplies.

While financial decentralisation is being instituted, it should be borne in mind that is being done for the first time with the geog-based 9th FYP. The share of the geogs of the total 9th FYP outlay is 3.2% as compared to 21.3% for the dzongkhags. This means that the yearly discretionary DSP/DSF geog grants of between USD 15-20,000 are a huge amount compared to the very minor amounts of funds for recurrent expenditure channelled to the geogs.

With this in mind the MTET finds that the block grant system is now a nationally adopted reality and less a pilot scheme. The districts and geogs are learning from this new system but there does not seem to be a systematic documentation of the experiences so far. However, the MTET feels it is worth keeping in mind that the coming APF will need a pilot phase where performance based schemes are tested and UNCDF is ideally based to assist RGoB.

4.3 UNCDF Strategic Positioning and Partnerships

UNDP/UNCDF have been able through the DSP to maintain a high degree of visibility in terms of supporting the RGoB decentralisation process. The experiences of implementing the GDFA have been used in developing the DSP/DSF. However, the nature of the programme is less a pilot than a mainstreamed process of channelling discretionary funds to a wide section of the geogs in Bhutan as mentioned above.

This does not in anyway jeopardise the interventions under DSP, but it does for all practical purposes function more like programme support assistance than a pilot programme per se. There is no doubt that UNDP/UNCDF have been instrumental in supporting the roll out of discretionary funding to geogs but the system applied in Bhutan is one which is very different from the normal assessment criteria and performance based systems that UNCDF would like to champion and pilot.

After engaging the RGoB in a dialogue in the first part of DSP implementation and fielding two technical missions in 2003, as well as the Inception Mission, UNDP/UNCDF has not been very active in supporting or monitoring the programme interventions. Therefore, UNCDF has somewhat jeopardised their strategic partnership with RGoB and need to focus attention on re-engaging the Government especially now that the APF has been proposed and the RGoB has expressed both a need for and a special wish for UNCDF assistance both under the present DSP, but also in a future programme to effectively support the APF.

One option for UNCDF to consider would be to discuss with RGoB regarding posting a Senior Technical Adviser with good knowledge of performance based grants systems. This would boost the dialogue with RGoB and ensure that the remaining part of the DSP is focused on achieving its outcome/outputs and at the same time ensure detailed planning and preparation for a possible phase two assistance focusing on the APF. This would also have the added advantage that UNCDF's global and regional experiences, and its internal resources, are mobilised to assist RGoB with upstream policy level and fiscal/financial management related TA.. As a partner under DSP SNV is ideally placed to assist RGoB with downstream implementation with considerable human resources available in their governance unit. SNV has been very active throughout implementation of DSP and has supported RGoB with various strategic TA. Furthermore, SNV has a physical presence in many districts which the DSP should benefit more from.

With imminent RGoB plans to move towards a more devolved grant transfer and fiscal planning system, there is an opportunity for DSP to bring experiences from piloting capital block grants to this process. JICA expressed interest during the MTE in working more

closely with UNDP/UNCDF in the coming years. Furthermore, it would be favourable for the donors' active in the field of decentralisation to work closely together to better support the decentralisation policies of RGoB, if the Government is willing to support this. The coming planning framework for local discretionary grants at both geog, district and town council level will need further focus on initiatives of a pilot nature as the RGoB will need to experiment with disbursement systems, as well as sizes of grants, and the introduction of performance related measures.

In the not so distant future RGoB and donor partners would be encouraged to harmonise planning, reporting and maybe also funding modalities through budget support modalities or pooled funds/programme support. Enhanced cooperation within decentralisation would inter alia lead to improved capital investments at local levels and TA assistance could be more effectively linked to the various donor experience and expertise in decentralisation.

4.4 Sustainability of Results

As already noted the interventions in local micro-infrastructure projects are very important and are very much linked to poverty-alleviation and increased participation in decision-making. However, many of these investments can not be safeguarded as local generated funds for maintenance are insufficient. In future RGoB must consider specific budget allocations for maintenance or increased local taxation.

As per the GYT Chathrim 2002, geogs are authorized to retain the rural taxes collected and use it to meet the maintenance expenditure of the geogs' infrastructure facilities. Rural taxes comprise land tax, including grazing tax or Tsamdo, house tax and cattle tax. The average annual rural tax collection is around Nu.40,000-60,000. The Chathrim stipulates the procedures for collection and expenditure from the geog's rural taxes and method of accounting to be followed.

While the GYT Chathrim also allows the geogs to locally mobilize resources to supplement the rural tax amounts to meet local requirements, this is not being done in any geog. A possible area of revenue for geogs is royalty from sale of natural resources such as sand, stone and timber. However, the transfer this amount to the respective geog of the exploited natural resource would require approval from the highest level. It would also have to consider the fact that geogs are not endowed with equal resources and such legislation may go against the long-term objective of balanced regional growth. A system of equalisation would have to be instituted. Another possible source of geog revenue is the excess land dues that have been discussed in the last National Assembly session. While excess land dues are seen by some as complimenting land taxes and should go to the geog current account, such transfers may be too radical requiring necessary policy decision and legislation.

Capacity Development and Support Level

The 9th FYP has shown that for planning purposes the geog level is ideally placed for increasing participation in decision-making and in participatory planning initiatives. The focus of the 9th FYP was to increase bottom-up planning which has happened to some degree. However, whether the geog is the most viable level of intervention in terms of service delivery is not up for discussion within RGoB at the moment. In terms of capacity development too little attention has so far been paid to the district level. In future the MoHCA has planned to increasingly coordinate capacity development initiatives through a HRD plan at district level including the geogs.

At the moment the geog level does have the capacity to design infrastructure nor does have technical expertise to properly monitor and supervise implementation. The Dzongkhag technical staff basically undertake small scale design of infrastructure but in accordance with national standards. Planning and design of bridges, feeder/farm roads, Gup's office and schools are done by the sector departments/line ministries. In most cases regarding the pilot schemes the Dzongkhag assist the GYT's on technical matters. This illustrates that any capacity development initiative must at the moment originate at the district level.

DSP has no mechanism to involve communities in ensuring the timeliness and quality standards of works performed by contractors. In future DSP schemes could consider forming community committees and train selected men and women to monitor schemes.

Gender

The backbone of decentralised administration in the Dzongkhags is staffing, both in adequate numbers and quality. From a gender perspective it could be argued that an element of quality would be gender balance and gender sensitivity too in the senior positions that can make a difference to how programmes are negotiated, planned, designed and supported. At present geogs, gups and GYT's rely on Dzongkhags for a whole range of guidance, advice and support, and hence the influence that Dzongkhags have over DYT's, Gups cannot be underestimated.

Currently in visited Dzongkhags female staff appear to occupy mostly traditional positions and grades like elsewhere in the civil service. Secretarial staff make up 46% of the staff in the sampled districts, and mid-level positions are occupied by 7% women. For the same sample a very low representation of women in GYT's of 4% was found and 3% in DYT's. It could/should be far better in Bhutan given the good position and social status women enjoy compared to many other countries in Asia. Comparatively it is 24% in Nepal and 33% in India (owing to affirmative action/reservation) and equally poor as Bhutan is Sri Lanka with 2% female representation. The MTET found that one area which could be focused on is to assist staff in the dzongkhags in receiving more gender training to apply gender sensitive participatory planning methods and tools in a more standardized and systematic way. (For a detailed assessment of decentralisation and gender see Annex 5).

Promoting gender equality actually enhances economic growth and efficiency. Given also government's obligations to international commitments to work towards gender equality, it seems only logical to review budgets, budgetary processes and objectives from a gender perspective to ensure that these policy commitments are being met systematically. Gender sensitive or responsive budgeting is a tool that deals head-on with equality in distribution of resources, access and funding to public resources and services and measures impacts of actions financed on women, men and gender relations. Particularly focusing on fulfilment of targets under CEDAW, Beijing Platform for Action plus other such conventions. In other words it helps ensure that gender is effectively mainstreamed in all aspects of economic and social policies through adequate budgetary provisions that are carefully audited for transparency, efficiency, accountability and impacts on gender relations.

4.5 Post Project Planning/Exit Strategy

1) Current programme length/extension

- The Programme started in mid 2003 and is therefore scheduled to end by mid 2007. At this stage the MTET does not see the need for proposing any extension beyond this time frame.

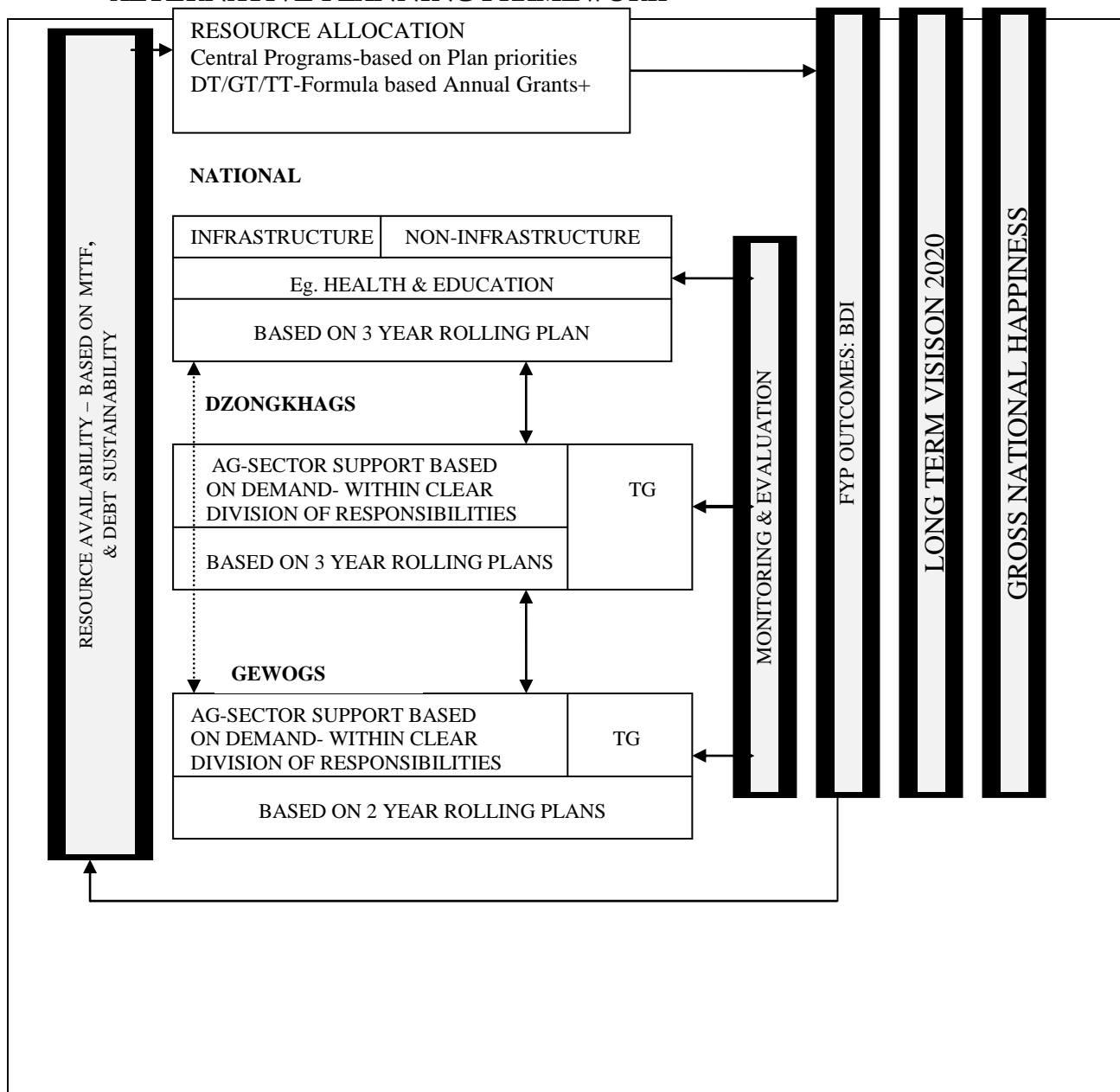
2) Major reorientation needs for the remainder of DSP

- The MTET does not find any need for major reorientation of the Programme. The DSP should continue to implement the activities as identified in the PD and the Inception Mission Report. However, focus should be put on better documentation of lessons learned and good and bad practice in implementing DSP/DSF.

3) What would be objectives/content of a possible Phase II of DSP

- Definitely the MTET sees a very important role for UNDP/UNCDF in terms of assisting the RGoB with a potential follow up programme. As the DSP will be coming to an end by June 2007 only about 1 ½ years are left in terms of implementation. This leaves some room within the Programme to start working in unison with RGoB to prepare for the proposed APF as outlined in the GG+ report. The MTET does not see the need for major reorientation of the DSP inputs, but if used flexibly, the DSP could be a vehicle for assisting RGoB/MoHCA with targeted technical assistance that can translate into policy revisions and reorientation in preparation for the APF.
- The new MTFF system with tied and untied grants will be rolled out with a planning framework very different from the existing framework and the 5 year plan period will only be retained as a guiding framework, and both three-and two-year rolling budget frames will be introduced. This means that certain aspects of the system can be useful, such as experiences with planning and financial management, but the budget allocation and utilisation will be very different from the existing system. **The MTET, therefore, sees the need for a phase II of DSP, and planning for this, if acceptable to RGoB and UNDP/UNCDF, should commence by mid 2006.**
- This has many strategic implications for DSP and RGOB and UNDP/UNCDF should immediately start preparing for phase II support which focuses on lessons learned from phase I and the needed TA that must go into developing a formula-based grant system. Issues such as performance based grants and minimum requirements for participating districts and geogs should be factored in to the new system. The RGoB APF is described in the organogramme below.

ALTERNATIVE PLANNING FRAMEWORK⁹



⁹ DT-District, GT-geog, TT-Town. AG-Annual Grant, TG-Tied Grant

5. Lessons

5.1 Project-level Lessons

- The project has not until now focused enough attention on capacity development at the district level in terms of having a HRD plan (including training needs of the whole district/geogs) and training district focal points who could carry out training of geogs in planning, financial management and general management issues. The lack of a training related M&E has also meant that whatever training that has been carried out so far can not easily be assessed for relevance in terms of functions and processes.
- The piloting nature of DSF has been questionable due to the fact that it was decided to have a wide coverage of as much as 5 districts (25% of the total number of districts in Bhutan) with very little technical backstopping from either DLG nor UNDP/UNCDF at district and geog levels. The fact that no baseline for M&E was developed at the project inception phase just adds to this impression of a programme more intent on achieving equity in coverage than in effectively piloting systems for later replication country-wide. This has made it difficult to follow-up and follow trends over the project lifetime. The project is basically mainstreaming the block grant system throughout Bhutan and very little piloting with lessons learnt is taking place. No systematic dissemination of experiences from DSP districts to non-DSP districts.
- The RGoB financial management system of establishing Letter of Credit Accounts at district level for each geog and depending on cash budgeting rules (only withdraw amount per instruction from DBA) and returning unspent amounts at end of FY to DBA necessitates a process of re-application for unspent capital investment funds. This is contrary to the spirit of decentralisation and devolution policies.
- The system of Woola (voluntary contribution of labour for community projects) exists in Bhutan making it very different in many aspects as compared to other LDC countries where UNDP/UNCDF operate. This traditional method of contributing to community projects has not been effectively factored in to the DSF block grant system. This implies that it varies from project to project whether we see voluntary labour contribution, which is not paid, and voluntary contributions which have been remunerated.
- There is also a lack of institutionalised/trained community groups who could monitor implementation of community schemes.

5.2 UNCDF-wide Lessons

- Issues of gender have to be addressed at the project design phase as the PD for DSP does not include any references to gender neither in planning, capacity building or in the political sphere. If gender is not specifically addressed at the programme development stage it becomes almost impossible to address these at a later stage. The guidelines for utilization of Block Funds should be revised to mention and incorporate gender concerns and strict obligations to ensure it's not ignored. DSP should invest in women's leadership development and gender sensitization of elected men. DSP ought to put more upfront the issue of virtual absence of women in GYT's and DYT's and strategise to address it. DSP could consider to improve gender balance by building that into the performance criteria and conditions for approval of grants. Awards and recognitions for geogs /GYT's that have maximum female representation could be

considered. Performance and criteria based schemes under DSP which must have clear focus/target and outcomes on marginalized women, female headed households, single mothers/parents and poor men as it's beneficiaries. Furthermore, DSP should conduct studies to properly assess and measure impacts of block grant schemes on gender relations and women's empowerment. This information should be shared with the 'zomdoos' (village assemblies).

- The DSP did not systemically target key important policy level "change agents" and give them some valuable experiences from countries in the region for purposes of influencing the future development in administrative as well as fiscal decentralisation initiatives.
- This type of "pilot" scheme can not work if the process is not properly monitored and supervised at the district level. Due to the difficult terrain in Bhutan there is a need for some presence at ground level. Following up and ensuring that there is interaction between district staff and geogs and villages.
- Despite the above mentioned issues and problems it is clear that UNDP/UNCDF are still valued as very important partners and the RGoB seem eager to draw more on UNCDF global and regional experiences in developing their AFP.

6. Recommendations

6.1 Results Achievement

UNDP/UNCDF need to secure additional staff resources in the governance unit to enable engagement in policy dialogue as well as effective implementation of programme activities. The MTET recommends that UNCDF consider recruiting one additional Programme Officer, who could be full-time on DSP and based in the UNDP Governance Unit. This would enable full-time monitoring and assistance to the MoHCA with DSP related matters. Furthermore, UNCDF should consider, in agreement with RGoB, if it would not be prudent to solicit for a Senior Technical Adviser who at this stage could assist with implementation of the remaining DSP activities and support RGoB in preparing for the AFP and a possible phase II of UNDP/UNCDF support. Action: UNCDF *Recommendation 1*

The MTET recommends the RGoB partners ensure that reporting is now regular and according to agreement, so that UNDP/UNCDF can be availed of quarterly progress reports including both physical and financial performance reporting. These reports obviously should not be seen as separate to the Government own reporting systems. Action: DLG/DBA/DoP *Recommendation 2*

The MTET strongly encourages MoHCA to commence convening regular meetings of the Programme Steering Committee again, thereby enabling effective dissemination of information and engagement on the issues between the Programme partners. Action: MoHCA/DLG *Recommendation 3*

Due to lack of proper baseline data the newly recruited M&E adviser to DLG should come up with basic monitoring indicators for LG such as number of staff by gender, political representatives by gender, list of projects proposed and approved by GYT/DYT, overview of planning systems, number of regular meetings, following regulatory provisions, etc. Action: MoHCA/DLG & DLG/M&E Adviser *Recommendation 4*

DSP has not been able to experiment with different levels of discretionary grants based more on implementation capacity than on equity. The lack of a proper assessment system between districts and geogs means that in some cases grants have been returned unused as is the case in Gasa. Some geogs in Gasa have only utilised USD 7-8,000 out of a total grant of USD 15,000. The Programme Management is encouraged to experiment with various levels of grants based on assessment of implementation capacities in anticipation of the coming APF performance related grant system. Action: MoHCA/DLG & UNDP/UNCDF *Recommendation 5*

A study should be conducted to assess the level of application of the community contribution (5-10% in cash or kind) in DSP supported districts, and how this relates to the issue of Woola in general. Action: MoHCA/DLG *Recommendation 6*

Piloting new types of schemes for monitoring committees and processes is important. This will entail supporting the whole process of developing women's groups capacity in construction techniques to monitor systems more effectively and to be able to apply for contractors licenses, which has potential linkages to the Cooperatives Chatrim Regulations. Action: MoHCA/DLG *Recommendation 7*

DSP should also strengthen accountability mechanisms through applying better dissemination of flows of budget, expenditure and audit information to the wider general

public instead of current reliance on verbal information from gup to tshogpa. Action: MoHCA/DLG & Districts *Recommendation 8*

6.2 Variables Affecting Successful Implementation and Results Achievement

The administration of DBA Letter of Credit Account at district level has led to some delays in implementation of geogs projects because infrastructure projects not completed within one FY has forced districts/geogs to reapply for unspent funds. The MoHCA and DBA should look into how this anomaly can be rectified to enable smooth implementation of geog projects. Action: MoHCA/DLG and DBA *Recommendation 9*

DSP has to contribute more to gender equality and strengthen outcomes of decentralisation policy in line with RGoB and UNDP policy commitments to major conventions i.e. CEDAW, Beijing and other regional conventions. Therefore, DSP should focus on:

- The guidelines for utilization of Block Funds should be revised to mention and incorporate gender concerns and strict obligations to ensure it's not ignored.
 - The GDF can be used to leverage women's entry into key GYT / DYT positions in the next round, now that Gups are eagerly waiting for the second tranche.
 - DSP should invest in women's leadership development and gender sensitization of elected men and women.
 - DSP ought to put more upfront the issue of virtual absence of women in GYT's and DYT's and strategise to address it. DSP could consider to improve gender balance by building that into the performance criteria and conditions for approval of grants. Awards and recognitions for geogs /GYTs that have maximum female representation could be considered.
 - Performance and criteria based schemes under DSP which must have clear focus / target and outcomes on marginalized women, female headed households, single mothers /parents and poor men as it's beneficiaries.
 - Make the conduct of gender analysis of target geogs for GDF mandatory
 - Support studies / interrogation on the issue of barriers to women's participation.; Conduct studies to properly assess and measure impacts of Block fund schemes on gender relations and women's empowerment
 - Ensure that information on DSP trickles down to 'zomdoos' and ask for feedback from the forum.
 - Monitor zomdoos to help raise its profile and vitalize women's participation.
 - Incorporate links between GDF and Cooperatives Act and its Regulatory Framework; support formation of women's groups for local economic development activities.
- Action: MoHCA/DLG *Recommendation 10*

6.3 UNCDF Strategic Position and Partnerships

The MTET proposes that a group of key policy-makers from MoHCA, MoF/DBA/DoP should visit e.g. Bangladesh to get sensitised to a programme that has instituted the minimum access criteria and performance related grants. Furthermore, UNCDF Regional Adviser should pay regular visits to Bhutan to initiate the discussion on these issues with RGoB over the coming 12 months. Action: UNCDF *Recommendation 11*

6.4 Sustainability of Results

DSP has to focus attention on documenting both good and bad practices of DSF in geogs over the coming 12 months. This study should focus on issues such as participatory

planning, gender, equity and community contribution. Local consultant resources should be used. Action: MoHCA/DLG *Recommendation 12*

DLG has recognized the need to coordinate and streamline capacity development initiatives targeting geog level. The district level should be the focal point for capacity development initiatives and a specific HRD plan should be developed to guide future training at district and geog level. Action: MoHCA/DLG *Recommendation 13*

6.5 Post Project Planning/Exit Strategy

The MTET recommends that DSP is implemented within the stipulated time frame up to mid 2007 and that no major reorientation of the Programme takes place. The focus of attention over the remainder of the Programme should however be to assist RGoB in preparing for the proposed APF and that UNDP/UNCDF consider positively to fund a phase II of DSP, which builds on the positive experiences of DSP and includes UNCDF's global experiences regarding piloting performance based grants systems. Action: UNCDF and MoHCA/DLG *Recommendation 14*

Annex 1: Evaluation Follow-up Matrix

Evaluation Follow-up Matrix Bhutan Decentralisation Support Programme Mid-Term Evaluation

Purpose and Use of the Evaluation Follow-up Matrix

The evaluator will use this Evaluation Follow-up Matrix to summarise the key findings and recommendations of the evaluation, and propose responsibilities and timeline for follow up.

The project manager will subsequently discuss the recommendations and proposed follow-up responsibility and timeline with project stakeholders and record agreed follow-up actions, responsibilities and timelines in this matrix, and use it monitor their implementation.

The Director of the relevant Technical Unit is responsible for oversight, to ensure timely implementation of agreed follow up actions.

The Evaluation Unit will periodically report to senior management and the Executive Board on progress in implementing agreed follow up to evaluations, as part of its accountability function.

Issue area	Evaluation finding	Evaluation recommendation ¹⁰	Responsible	Timeline	Agreed follow-up
<i>1. Results Achievement</i>					
<i>Output 1. Sensitized local governance institutions create a local enabling environment for complete decentralization policy implementation</i>					
<i>Output 2: Policies & practices enhancing citizen participation in local planning, decision making and implementation management are institutionalised as a result of the successful implementation of the DSF.</i>					
<u>Output Target 2.1</u> Structure of the DSF is confirmed and codified as a basis for replication nation-wide, clarifying financial, planning, contract management and monitoring processes.	Resource envelopes for DYT's and GYT's with projections for at least two years to be done. DYT's and GYT's receive formula-based annual grants that are released directly and separately in annual or bi-annual tranches from the centre to the local governments concerned. Within the ceiling of the annual grants local governments will make their plans and spend on the execution of these plans allowing GYT's and DYT's to exercise autonomy in respect to use of the annual grants.	<ul style="list-style-type: none"> Experiment with grant transfer system to be linked to performance based systems and minimum performance requirements. RGOB, UNDP/UNCDF to immediately start preparing for phase II support which focuses on lessons learnt from phase I and the needed TA must go into developing a formula-based grant system 	DLG with UNCDF TA	Start Feb 2006 to Dec 2006	

¹⁰ Refer to the full recommendations in the main body of the report.

Issue area	Evaluation finding	Evaluation recommendation ¹⁰	Responsible	Timeline	Agreed follow-up
<i>Output 3.0: Conducive conditions and support systems to create and manage local self-reliant cooperatives is established.</i>					
<u>Output Target 3.1</u> Implementing rules and regulatory framework for Cooperatives Chatrim is designed and introduced.	Consultation workshops with farmer groups and sectoral stakeholders carried out and the draft regulatory framework finalised in November 2005. Activities like approval of the regulations, preparation of orientation package for delivery through NRTI, RIM and orientation for DSP as well as non-DSP dzongkhags are behind schedule.	<ul style="list-style-type: none"> Prepare a comprehensive orientation package for all 20 dzongkhags in the new Cooperatives Chatrim 	DLG, SNV	Start Dec. 2005 and end Dec. 2006.	
<u>Output Target 3.2</u> Cooperatives Chatrim is fully operationalised in DSP participating dzongkhags	Activities for this target output namely support to groups to register as cooperatives, revision in cooperative rules and regulations and re-design of training package and TA for co-op federation registration is behind schedule.	<ul style="list-style-type: none"> TA for cooperatives formation and registration. 		Start Dec. 2005 and End Dec. 2006	
Output 4: Capacity enhanced in MOHA to provide overall management support for RGOB decentralisation policy implementation is in evidence					
<u>Output Target 4.1</u> The capabilities of the MOHCA are strengthened to enable it to manage the DSP programme	M&E TA recruited in DLG. CBS has not taken up the challenge for the PIR. Internal study tours to DSP dzongkhags seems not to be taking place.	<ul style="list-style-type: none"> Develop simple Local Governance M&E system to monitor Local Governance compliance with Chatrim and regulations 	DLG, UNDP, SNV	Start Jan 2006 and end Dec. 2006	

Issue area	Evaluation finding	Evaluation recommendation ¹⁰	Responsible	Timeline	Agreed follow-up
<u>Output target 4.4</u> Lessons learned from DYT/GYT, DSP and cooperatives operations are documented disseminated and used by national and local decision makers in support of decentralisation throughout the Kingdom	Hardly any documentation on process and lessons learned from implementing DSP. Dissemination of decentralisation experiences through the Bhutanese media to start in 2006.	<ul style="list-style-type: none"> Carry out studies and document lessons learned, best practices in DSP districts. 	DLG, UNDP and UNCDF	Start Jan 2006 – End March 2007	
Issue area	Evaluation finding	Evaluation recommendation ¹¹	Responsible	Timeline	Agreed follow-up
2. Results Achievement					
<u>Recommendation 1</u>	UNDP/UNCDF have had adequate staff resources. However, at the moment the Governance Unit is in transition. There is a need for UNCDF to focus more staff on DSP.	<ul style="list-style-type: none"> UNCDF need to secure adequate staff resources in the Governance Unit. UNCDF to consider recruiting one full-time Programme Officer for DSP implementation. 	UNCDF	Jan 2006 – June 2006	
<u>Recommendation 2</u>	Progress reporting scattered and carried out at various levels. District on behalf of geogs, District physical report to DoP and District financial report to DBA.	<ul style="list-style-type: none"> RGoB partners should ensure regular progress reporting in a consolidated manner both physical and financial. 	MoHCA, DoP, DBA	Jan-Dec. 2006	
<u>Recommendation 3</u>	Programme Steering Committee has not met for 1 year. There is a need to use this forum for more effective dissemination of information and discussion of progress	<ul style="list-style-type: none"> MTET strongly encourages MoHCA to commence convening regular Programme Steering Committee meetings. 	MoHCA/DLG	Start Feb 2006 to June 2007	

¹¹ Refer to the full recommendations in the main body of the report.

Issue area	Evaluation finding	Evaluation recommendation ¹⁰	Responsible	Timeline	Agreed follow-up
<u>Recommendation 4</u>	Lack of basic data is hampering monitoring and evaluation of DSP interventions. Baseline and M&E indicators should be developed.	<ul style="list-style-type: none"> The newly recruited M&E Adviser to DLG/MoHCA should come up with basic monitoring indicators for LGs and overview of planning systems etc. 	MoHCA/DLG SNV M&E Adviser	Jan 2006 – June 2007	
<u>Recommendation 5</u>	Basing DSF disbursements on degree of poverty commendable but should also be linked to historic facts of utilisation and implementation capacity	<ul style="list-style-type: none"> The Programme Management is encouraged to experiment with various levels of grants based on assessment of implementation capacities. This is also linked to the coming APF with rolling budget system 	MoHCA/DLG, DBA	Feb. 2006 and end June 2007	
<u>Recommendation 6</u>	Data is needed on what exactly the local communities are contributing to various DSF geog projects	<ul style="list-style-type: none"> A study should be conducted to assess the level of application of community contribution (5-10% in cash or kind) in DSP projects and how this relates to the Woola 	MoHCA/DLG	Start March 2006 and end Nov. 2006	
<u>Recommendation 7</u>	More involvement of community groups in monitoring DSF projects could be introduced to enhance participation and reduce costs	<ul style="list-style-type: none"> Piloting new types of schemes for monitoring committees and processes is important. Will entail supporting the process of developing women's groups to monitor DSF projects more effectively and has linkages to Cooperatives Chattrim Regulations. 	MoHCA/DLG	Start March 2006 – June 2007	
<u>Recommendation 8</u>	Information to the wider public is being disseminated orally to Zoomdas where other avenues could be used	<ul style="list-style-type: none"> DSP should strengthen mechanisms of accountability through better dissemination of budgets flows, expenditure and audit information to a wider general public 	MoHCA/DLG	Start Jan 2006 and end June 2007	
<u>Recommendation 9</u>	Introduce flexibility in utilisation of the DSF allocations to cover two FY's to avoid lengthy and bureaucratic reapplication process	<ul style="list-style-type: none"> Administration of LC # at district level has led to some delays in implementation of geog projects because DSF projects not completed within 1 FY have to reapply for unspent amount with DBA. 	MoHCA/DLG DBA	Start Jan 2006 and end June 2007	
<u>Recommendation 10</u>	Gender was not part of the original PD. Gender considerations could however be introduced at this stage to rectify this situation and to focus on issues that are important for the future APF	<ul style="list-style-type: none"> DSP has to contribute more to gender equality and strengthen outcomes of decentralisation policy in line with RGoB and UNDP policy commitments to major conventions i.e. CEDAW, Beijing and others. Focus on guidelines for utilisation of Block Grants, DSP to invest in women's leadership training, performance criteria focusing on poverty, gender, etc. 	MoHCA/DLG UNDP / UNCDF	Start Jan 2006 and end Dec. 2006	

Issue area	Evaluation finding	Evaluation recommendation ¹⁰	Responsible	Timeline	Agreed follow-up
<u>Recommendation 11</u>	UNCDF has not utilised its strategic partnership with RGoB to influence decision-makers on key issues of concern such as performance based grant systems and assessment criteria	<ul style="list-style-type: none"> A key group of decision-makers should go on a study tour to e.g. Bangladesh to learn from UNCDF experiences there in terms of performance based grants and assessment criteria for LGs. 	UNCDF	Start May 2006	
<u>Recommendation 12</u>	There is an enormous need for basic documentation on experiences with implementation of DSP/DSF projects in geogs	<ul style="list-style-type: none"> DSP has to focus attention on documenting both good and bad practices in DSF supported geogs over the remainder of DSP. Study to focus on issues such as participatory planning, equity, gender and community contributions 	MoHCA/DLG	Start Jan 2006 and end June 2007	
<u>Recommendation 13</u>	HRD initiatives in districts/geogs spread over a number of sectors and programmes. Need for coordination and focus of training interventions	<ul style="list-style-type: none"> DLG has recognised the need to coordinate and streamline capacity development initiatives targeting geog level. The district level should be the focal point for capacity development and a specific HRD plan should be developed to guide future training 	MoHCA/DLG	Start Jan 2006 and end June 2007	
<u>Recommendation 14</u>	RGoB already planning for a new planning system, APF, which would mean some changes to the implementation and funding mechanism of future district/geog development projects	<ul style="list-style-type: none"> The RGoB policy paper on GG+ released in November 2005 outlines proposed APF within a MTFF with five year planning horizon and three- to two-year rolling budget frames. A formula-based annual grant system to geogs/districts being proposed. Need to start planning for UNCDF support to this in future 	MoHCA/DLG UNDP / UNCDF	Start June 2006 and end June 2007	

Annex 2: Work plan

ITINERARY FOR THE DECENTRALIZATION OUTCOME EVALUATION & DSP MIDTERM EVALUATION/REVIEW

DATE	TIME	ACTIVITY/MEETING	VENUE	STATUS
06 Nov SUN	Morning Afternoon	Arrival of Mr. Richard Slater, Team Leader and other International Consultants in Thimphu Rest day		Confirmed
07 Nov MON	09:30 am	Meeting with UNDP RR/DRR . <i>(Both Teams)</i>	UNDP	Confirmed
	10:00 am	Meeting of the teams: Mid Term Evaluation & Outcome Evaluation; sharing of desk review material and overall plan of work including team coordination. Plus briefing at UNDP <i>(Both Teams)</i>		
	01:00 pm	Lunch		
	02:00 pm	Meeting of teams: Mid Term Evaluation & Outcome Evaluation; fine tuning overall plan of work including team coordination. <i>(Both Teams)</i>	UNDP	Confirmed
	06:30 pm	Dinner <i>(Both Teams meet Evaluation Review Committee*)</i>		To be Confirmed
08 Nov TUE	09.30 am	Call on the Honorable Secretary, Dasho Penden Wangchuk, Ministry of Home and Cultural Affairs (MoHCA) <i>(RS, JPC, DP, HO, SN)</i> ¹²	MoHCA	Confirmed
	10:00 am	Meeting with the Department of Local Governance (DLG), Ministry of Home and Cultural Affairs (Presentation) <i>(RS, JPC, DP, HO, SN, PC)</i>		Confirmed
	01:00 pm	lunch		
	02:00 pm	Meeting with the Director, Department of Aid & Debt Management, Ministry of Finance <i>(RS, JPC, DP, HO, SN)</i>	DADM	Confirmed
	03:00 pm	Meeting with SNV - Ms. Cecilia Keizer, Officiating Director Netherlands Development Organization, SNV <i>(RS, JPO, DP, HO, SN, PC)</i> ¹³ Meetings continue for <i>(HO, SN, PC)</i> ¹⁴	SNV	Confirmed
	04:00 pm	Meeting with the Resident Coordinator, Helvetas <i>(RS, JPC, DP)</i>	Helvetas	Confirmed

¹² RS: Richard Slater; JPC: Jens Peter Christiansen; DP: Dawa Penjore; HO: Hans Olsen; SN: Saroj Nepal; DEP: Deepak Pradhan; PC: Phuntshok Choden

¹³ RS: Richard Slater; JPC: Jens Peter Christiansen; DP: Dawa Penjore; HO: Hans Olsen; SN: Saroj Nepal; DEP: Deepak Pradhan; PC: Phuntshok Choden

¹⁴ The DSP Midterm Evaluation Team will probably need more time for detailed project discussions.

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09 Nov WED	09:30 am	Meeting with Department of Budget & Accounts (DBA) (RS, JPC, DP, HO, SN) Meetings continue for (HO, SN)	MoF	Confirmed
	11:00 am	Meeting with the Resident Coordinator Mr. Torben Bellers, Liaison Office of Denmark (DANIDA) (RS, JPC, DP)	DANIDA	Confirmed
	01:00 pm	Lunch		
	02:00 pm	Call on the Honorable Secretary, Dasho Sherab Tenzin, Cabinet Secretariat (RS, JPC, DP, HO, SN)	Tashichhodzong	Confirmed
	03:00 pm	Meeting with Department of Planning (Ministry of Finance) (RS, JPC, DP, HO, SN, PC)	MoF	Confirmed
	04:00 pm	Meeting with Japan International Cooperation Agency (JICA) (RS, JPC, DP, HO, SN)	JICA	Confirmed
10 Nov THU	10:00 am	Call on the Honorable Secretary, Dasho Bap Kesang, Royal Civil Service Commission (RCSC) (RS, JPC, DP, HO, SN, PC)	RCSC	Confirmed
	11:30 am	Meeting with the Royal Institute of Management (RIM) (RS, JPC, DP, HO, SN, PC)	RIM	Confirmed
	01:00 pm	Lunch		
	02:00 pm	Meeting with Mr. Karma Geley, Officiating Director, Center of Bhutan Studies (CBS) (RS, JPC, DP)	CBS	To be Confirmed
	03:30 pm	Briefing with Evaluation Review Committee* (RS, JPC, DP, HO, SN, DEP, PC)	UNDP	Confirmed
DATE	TIME	ACTIVITY/MEETING	VENUE	STATUS
		Group I: Decentralization Outcome Evaluation Group II: Decentralization Support Programme Midterm Evaluation/Review		
11 Nov FRI	09:30 am	Both Groups National Holiday- travel to Zhemgang district (8-9 hrs drive); evening meet GYT members Rest day	Zhemgang	To be Confirmed
12 Nov SAT	09:00 am	Both Groups Meet with Dasho Dzongdag, District Planning Officer, Finance Officer and District Engineer	Zhemgang	To be Confirmed

	10:00 am	Field visits & interview with local authorities, beneficiaries and community members: visit Construction of Irrigation Channel: travel to Tali (2 hrs drive, 2hrs walk) of Nangkor Geog.	Overnight at Tingtibi	To be Confirmed
13 Nov SUN	09:00 am	Group I Visit Gup's Office and Construction of Steel Struss bridge at Trong	Trongsa	To be Confirmed
	11:00am	Visit PMU or East central region Agricultural Development Program		
	2:00pm	Travel (1-2 hrs) to visit Nabji-Korphu- Construction of Power Tiller Road; continue to Trongsa		
	09:00 am	Group II Field visits & interview : Visit Gup's Office and Construction of Steel Struss bridge at Trong.		To be Confirmed
	2:00pm	Travel (1-2 hrs) to visit Nabji-Korphu- Construction of Power Tiller Road; return to Zhemgang	Zhemgang	To be Confirmed
14 Nov MON	9:00 am	Group I Travel (2 hrs) to Bumthang	Bumthang	To be Confirmed
	12:00 am	Meet with Dasho Dzongdag, District Planning Officer, Finance Officer and District Engineer		To be Confirmed
	2:00 pm	Visit Tang Feeder road maintenance, meet with beneficiaries, plus input from other donors (Helvetas-ADP/Zhemgang;)		
	09:00 am	Group II Drive towards Trongsa. Field visits: Langthel Irrigation Channel (drive 2 hrs and walk 2 hours).	Trongsa	To be Confirmed
15 Nov TUE	9:00 am	Group I Visit Tokto Zam bridge construction	Bumthang	To be Confirmed
	11:00 am	Visit Ura foot path (1-2 villages) beneficiaries (also non DSP?; ADP..)		

	9:00 am	Group II Meet with Dasho Dzongdag and sector heads	Trongsa	To be Confirmed
	11:00 am	Visit the construction of Farm Road at Nubi (Kakaling 13 km)		To be Confirmed
16 Nov WED	09:00 am	Group I Travel to Wangdue, enroute visit Chumey Community Center Hall construction	Wangdue	To be Confirmed
	09:00 am	Group II Drive to Punakha. Field visit and interview at Tangsibji- Construction of Farm Road Punakha	Punakha	To be Confirmed
17 Nov THU	09:00 am	Group I Meet with Dasho Dzongdag, District Planning Officer, Finance Officer and District Engineer	Wangdue	To be Confirmed
	10:30 am	Visit the Rural development training institute at Lobeysa (Helvetas)		
	11:30 am	Field visit to a geog (not supported by any of the decentralization projects/programmes)		
	2:00 pm	Travel to Chhukha	Chhukha	To be Confirmed
	08:00 am	Group II Travel and Hike to Gasa; overnight at Goen Damji	Goen Damji	
	02:00 pm	Field visit: meet and visit Khamey- Gup's office; Maintenance of Mule Tracks; and Maintenance of Bridge. Late afternoon meet Gup and GYT members.		To be Confirmed
18 Nov FRI	09:00 am	Group I Meet with Dasho Dzongdag, District Planning Officer, Finance Officer and District Engineer	Chhukha	To be Confirmed
	10:00 am	Field visit: MOA (DRDP) ; WWMP		

	07:00 am	Group II Hike to Gasa Dzong (5 hours)		To be Confirmed
	12:00 am	Meet with Dasho Dzongdag and Dzongkhag sector heads, prepare for field visits.		To be Confirmed
	02:00 pm	Field visit: Khatoe Construction of Bridge; Maintenance of Mule Tracks; Construction of Mule Tracks (Gasa-Laya)	Gasa Hot Springs	To be Confirmed
19 Nov SAT	09:00 am	Group I Field visit, interview beneficiaries of MOA (DRDP); WWMP..	Chhukha	To be Confirmed
	9:00 am	Group II Return trek and travel to Punakha	Punakha	Confirmed
20 Nov SUN	09:00 am	Group I Return drive to Thimphu; Rest day	Thimphu	Confirmed
	09:00 am	Group II Visit the Punakha Dzong; Return drive to Thimphu, Rest day	Thimphu	Confirmed
21 Nov MON	10:00 am	Interviews/meeting with key stakeholders and partners in the capital/report writing		
	02:00 pm	Interviews/meeting with key stakeholders and partners in the capital/report writing		
22 Nov TUE	10:00 am	Further interviews/meeting with key stakeholders and partners in the capital		
23 Nov WED	09:00 am	National Holiday- internal discussions on evaluation findings among consultants; preparation and circulation of aide memoire to stakeholders and UNCDF Evaluation Advisor (to be clarified later)	UNDP	
	01:00 pm	Infrastructure consultant (Mr. Deepak Pradhan & Gender consultant Ms. Phuntshok Tshering) submit their reports to the team.	UNDP	
24 Nov THU		Preparation of presentation and drafting of evaluation report	UNDP	

25 Nov FRI	10:00 am	Consultation meeting: present key findings to the Evaluation Review Committee and UNDP RR, DRR	UNDP	Confirmed
26 Nov SAT		Drafting of the evaluation report with comments from consultation meetings		
27 Nov SUN		Rest day		
28-29 Nov M-TUE		Drafting of the evaluation report		
30 Nov WED	09:00 11:00	DSP Midterm Review presentation of findings and distribution of draft report Decentralization Outcome evaluation: Presentation of key findings and distribution of draft final report to UNDP, Evaluation Review Committee* and other key stakeholders and partners.	UNDP	Confirmed Confirmed
01/Dec THU		International consultants departure from Paro Airport		Confirmed

Composition of Evaluation Team:

Decentralization Outcome Evaluation (Group I)

Mr. Richard Slater, Team Leader, International consultant (hired by UNDP)

Mr. Jens Peter Christiansen, International assisting consultant (hired by DANIDA)

Mr. Dawa Penjore, National assisting consultant (hired by UNDP)

***Evaluation Review Committee**

Mr. Karma Penjor/

Ms. Karma Hamu DLG

Ms. Leki Wangmo/ Ms.Jambay DADM

Mr. Roz Saad SNV

Mr. Pem T. Dorji DANIDA

Mr. Tsugawa JICA

Ms. Tashi Pem HELVETAS

Mr. Toshihiro Tanaka UNDP

Mr. Wangdi Tshering UNDP

Ms. Marie Pedersen UNDP/UNCDF

Ms. Tshering Yanki UNDP/UNCDF

Ms. Rinzin Wangmo UNDP

DSP Midterm Evaluation/Review Team (Group II)

Mr. Hans Olsen, International consultant (hired by UNCDF)

Mr. Saroj Nepal, Local assisting consultant (hired by UNCDF)

Mr. Deepak Pradhan, Infrastructure specialist consultant (hired by UNCDF)

Ms. Phuntshok Choden, Local Gender specialist consultant (hired by UNDP/UNCDF)

Annex 3: Terms of Reference

TERMS OF REFERENCE: MID-TERM EVALUATION

Country:	Bhutan
Full Project Number:	00011511 or BHU/02/001 (UNDP) 00031767 or BHU/02/C01 (UNCDF)
Project Title:	Decentralization Support Programme
Sector:	Development Administration/Public Administration and Management
Executing Agency:	NEX – Ministry of Home and Cultural Affairs
Approval Date:	4 June 2003
Start Date:	June 2003
Duration:	2003 - 2006
Total project cost:	US\$ 3,862,400 ¹⁵
Financing	
▪ UNCDF:	US\$ 1,000,000
▪ UNDP:	US\$ 1,756,500
▪ SNV	US\$ 592,400
Evaluation Date:	November 2005

¹⁵ Originally a co-funder of the DSP, Danida opted for a separate Good Governance programme, hence the discrepancy between total project costs and financing breakdown.

A. Purpose of the evaluation

1. **The general objectives of a UNCDF Mid-Term Evaluation (MTE)** are to:
 - Assist the recipient Government, beneficiaries, UNCDF, UNDP and, as appropriate, the concerned co-financing partners, to improve the efficiency, effectiveness, relevance and impact of the project;
 - Provide feedback to all parties to improve the policy, planning, project formulation, appraisal and implementation phases; and
 - Ensure accountability for results to the project's financial backers, stakeholders and beneficiaries.
2. **The expected outcome of this Mid-Term Evaluation** is a strategic review of project performance to date, in order to:
 - Help project management and stakeholders identify and understand (a) successes to date and (b) problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, and whether the project is likely to achieve its development and immediate objectives, and whether UNCDF is effectively positioned and partnered to achieve maximum impact.
 - Provide project management and stakeholders with recommendations (a) capturing additional opportunities, as well as (b) for corrective actions to resolve outstanding issues and improve project performance for the remainder of the project duration.
 - Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation and/or identify exit strategies
 - Help project management and stakeholders set the course for the remaining duration of the project.
 - Help project management and stakeholders to draw initial lessons about project design, implementation and management.
 - Comply with the requirement of the Project Document/Funding Agreement as well as UNCDF Evaluation Policy.

NOTE: This mid-term evaluation of UNCDF's decentralization support programme will be conducted at the same time as and be co-ordinated with a Multi-donor Decentralization Outcome Evaluation, which will consider the wider outcome of all donor support to decentralization in Bhutan. The findings and conclusions of each of evaluation will feed into the other.

B. Project profile

1. Country context

Bhutan is ranked 134 on the Human Development Index. One of the most significant developments in Bhutan in recent years has been the extension of the decentralization policy. Major milestones include the enactment of the GYT/DYT Chathrims (Act) 2002, devolving substantial responsibilities, power and some financial resources to locally elected bodies at the Dzongkhag (district) and Geog (block) level, and the 2002 Gup elections in 199 Geogs. Notwithstanding these achievements, decentralization is not an easy process in Bhutan with its limited infrastructure, difficult mountainous terrain and relatively low literacy rate. For a recent situation analysis that elaborates the development context and challenges facing Bhutan, refer to the UN Common Country Assessment of Bhutan. For further elaboration of status and challenges of decentralization in Bhutan, refer to UNDP Bhutan Discussion Papers on Challenges of Decentralization in Bhutan for an overview.

2. Project summary

The Decentralization Support Programme (DSP) brings together UNDP, UNCDF and SNV to support decentralization in Bhutan, building on earlier pilot and capacity building programmes. The DSP is implemented by the Ministry of Home and Cultural Affairs (MoHCA) through the “National Execution” modality, and the partnership strategy is based on parallel financing coordinated by the Department of Aid and Department Management (DADM) in the Ministry of Finance. The programme supports three levels of government in Bhutan: the Centre, the Dzongkhag and the Geog. Within the DSP, UNDP provides resources for upstream technical assistance, capacity building, programme management and capital investment, UNCDF provides capital investment resources and backstopping services, and SNV provides primarily technical assistance, but also financial support to some aspects of the Programme’s capacity building activities. In addition, associated with DSP, the DANIDA Good Governance Programme includes support to institutional capacity building of MoHCA as well as preparation and dissemination of lessons learned through the Bhutanese media.

3. Project expected results

The expected results of the DSP are found in the project logframe (see **Annex 1**).

Overall, the programme aims can be summarized as follows:

1. To create an enabling environment for effective implementation of the decentralization policy, including regular participatory policy reviews conducted by the Centre for Bhutan studies.
2. To enhance the RGoB’s goal of promoting efficiency, accountability and transparency in the public sector.
3. To bring about a regional balance in development.
4. To strengthen the RGoB’s initiative to decentralize governance and promote people’s participation. Enhance citizen participation in local planning, decision-making and implementation management through provision of training and capital investment funds to 32 Geogs (all Geogs under the districts of Gasa, Pema Gatshel, Trongsa, Lhuntse and Zhemgang).
5. To support the implementation of the 2001 Co-operatives Chathrim (Act)
6. To improve the ability of geog committees, elected representatives and geog officials and populations to take on new responsibilities with decentralization, including fiscal and financial matters.
7. To enhance capacity in the Ministry of Home and Cultural Affairs (MoHCA) to provide overall management support for the decentralization policy.

For more details on expected results refer to the [DSP project document](#).

4. Project status

By the time of the evaluation the project will have been running for almost two-and-a-half years. Project implementation is proceeding, albeit at a slower pace than planned. The 2004 financial delivery of UNCDF funds, which are primarily committed to capital development grants, was by and large according to plan. 2005 grants have not yet been released yet, but anticipated to take place in October and to be less than the amount budgeted, since a considerable balance of funds remains at the block level. Project workplans and reports as well as financial reports¹⁶ provide further details of project actual versus planned performance and financial delivery to date.

C. Scope of the evaluation

Taking into account the implementation status of the programme and the resource disbursements made to date, evaluate the following questions:

¹⁶ To be provided by the Programme Officer.

Results achievement

- 1.1 Is the project making satisfactory progress in timely achievement of project outputs (as per logframe), and related delivery of inputs and activities? Is DSP meeting block grant funded project delivery targets?
- 1.2 Given output achievement and related delivery of inputs and activities to date, is the project likely to attain its Immediate and Development Objectives? Specifically in this regard:
 - What are the early indications of whether DSP and the Block Grant-funded projects are likely to make a tangible contribution to addressing:
 1. various aspects of poverty, improved livelihoods and contributing to gross national happiness?
 2. key gender-related issues and the balance between ethnic groups? In the context of a system that yields generally low representation of women and minority groups, has the programme been able to institutionalise systems and procedures leading to more inclusive governance? Is there any indication of the distribution of benefits of the programme across gender and ethnic groups?
 - Are there any indications of negative effects in this regard?
 - Is the project effectively addressing capacity constraints at the local level? In particular, is there sufficient technical support provided by the District to the Geogs (for example with respect to preparing estimations, and administrative support with regard to fund release, accounting etc)? Is the project sufficiently sensitive to and responsive to capacity constraints at the Geog and District levels? Is the capacity development plan effective and likely to lead to sustained capacity improvements in the long-term?
 - Is the project effectively capitalizing on lessons learnt from piloting best practice models to influence policy and practice? Have “downstream”, pilot activities led to development of “operational policies” (rules, regulations, guidelines, etc) with broader relevance and influenced policy formation and implementation? Has UNDP/UNCDF developed advice on decentralization drawing on pilot experience and broader global decentralization experience?
 - What are the indications that the Government is likely to replicate the approach and adopt the fiscal decentralization model and other elements of the approach piloted by DSP?
- 1.3 Critical issues: Evaluate any other critical issues relating to results achievement. In particular:
 - i. With regard to the block grant mechanism piloted by the project:
 - Is the block grants system functioning as intended?
 - Is the formula for allocation of block grants appropriate and sufficiently equitable?
 - What is the evidence that this innovation is leading to lessons and models for replication beyond serving as a channel for the government to fund national plans?
 - How significant are constraints imposed by a context of limited real fiscal devolution on the effective piloting of planning and resource allocation by local governments?
 - Are the capital development grants sufficient to provide an incentive to all stakeholders to invest in participating in a local governance model of development?
 - Assess Bhutan’s commitment in practice to regional planning and budgeting. How is the project contributing to this?
 - How effective are the linkages between investment planning and budgeting and from local to regional/national planning frameworks and vice versa?
 - How effectively is the Block Grant cycle integrated into the national budgeting process?
 - How well coordinated are Block Grant discretionary local level planning and investments on the one hand and line Ministry sector-specific planning and investment at the local level on the other?
 - What more could the programme do to move more donors away from a parallel local development funding model?
 - ii. With regard to infrastructure and service delivery, assess, among other issues:
 - Are the procurement strategies and practices adopted appropriate and cost effective?

- Is infrastructure appropriately designed and planned (responding to demand, technical considerations, and design and construction standards) and delivered to a good quality?
 - Is infrastructure delivered in a time and cost effective manner?
 - Are adequate resources, capacity and systems in place for operations and maintenance of infrastructure provided?
 - Is there sufficient co-ordination with line ministries to deliver and operate infrastructure and services, including technical support for infrastructure and services design, and availability of staffing for basic services?
 - Is the role of community participation in the various phases of infrastructure design, delivery, maintenance and operations appropriate and well functioning, in view of the varied capacity building, service delivery, ownership and institutionalization objectives of the programme and the Government, and taking into account local capacity issues?
- iii. Any other critical issues identified by the project team.

Factors affecting successful implementation and results achievement

Is project implementation and results achievement proceeding well and according to plan, or are there any obstacles/bottlenecks/outstanding issues on the UNCDF, partner or donor side that are limiting the successful implementation and results achievement of the project?

2.1 External factors:

- i. To what extent does the broader *policy environment* remain conducive to achieving intended results, including policy impact and replication of the lessons being learnt from project implementation? Specifically in this regard, to what extent do critical assumptions (refer to logframe) on which project success depends still hold?
- ii. Are there *any other factors external to the project* that are affecting successful implementation and results achievement?

2.2 Project-related factors:

- i. *Project design (relevance and quality)*. Consider the following:
 - Was the project concept/logic and design optimal to achieve the desired project objectives/outputs?
 - In assessing design consider, among other issues:
 - Were relevant gender issues adequately addressed in project design?
 - Was the institutional focus of the programme on the Geog appropriate? Was the Geog the most strategic and viable choice of unit for effective infrastructure and service delivery? Is the programme sufficiently focused on other institutional levels in view of its objectives?
 - Does the geographical selection of pilot areas effectively support the programme objectives? How has the “compromise” on selection of Geogs between poverty and institutional development objectives impacted on the institutionalization of, in particular, participatory planning?
 - Was the project preparation process (formulation, inception) and its products (logframe, Project Operations Plan, Annual Workplans) of good quality?
 - Did the project document include adequate guidelines for implementation of the project?
 - Is the project rooted in and effectively integrated with national strategies (eg poverty reduction strategy) and UN planning and results frameworks (CCA, UNDAF) at country level?
 - Do the project's objectives remain valid and relevant? Will they result in strategic value added if they are achieved? Does the project design and document need to be reviewed and updated?

- ii. *Institutional and implementation arrangements.* Are the project's institutional and implementation arrangements suitable for the successful achievement of the project's objectives or are there any institutional obstacles that are hindering the implementation or operations of the project, or which could benefit from adjustment? Among other issues, assess:
 - Capacity of the implementing agency, including with respect to annual work planning, financial management and reporting, and M&E.
 - Adequacy of technical and advisory support staffing.
- iii. *Project management:*
 - Are the management arrangements for the programme adequate and appropriate? Are staff capacity and resources appropriate and sufficient for successful implementation of the project?
 - How effectively is the project managed at all levels? Is project management results-based and innovative?
 - Do management systems, including M&E, reporting and financial systems function as effective management tools, facilitate effective implementation of the project, and provide a sufficient basis for evaluating performance of the programme?
 - Regarding financial systems: assess any bottlenecks in the system of financial disbursement between donors, UNCDF, UNDP, project and local government.
 - Regarding M&E, does the project monitoring system include:
 - a. A baseline that enables a good understanding of vulnerable populations/ areas, poverty issues, particularly as they relate to vulnerable groups in the areas of intervention, as well as data on access to and functioning of infrastructure and services. Has the baseline data been relevant to and used to inform planning and investment decisions?
 - b. Appropriate and cost-effective indicators and related targets linked to the baseline that will enable monitoring of process, output and outcome level performance?
- iv. *Technical backstopping:* Is technical assistance and back-stopping from UNDP/UNCDF appropriate, adequate and timely to support the project in achieving its objectives?
- v. Are there *any other project-related factors* that are affecting successful implementation and results achievement?

UNCDF strategic positioning and partnerships

- 3.1 Is UNCDF, through this project and any other engagement in the country, optimally positioned strategically, with respect to:
 - UNDP and other UN/donor/government efforts in the same sector in Bhutan?
 - Implementing national priorities, as reflected in national development strategies?
 - Corporate priorities, and leveraging its comparative advantages to maximum effect¹⁷?
- 3.2 Is UNCDF leveraging its actual/potential partnerships to maximum effect?
- 3.3 What level of value added and consequence can be attached to UNCDF's interventions in the area of decentralization in Bhutan? In particular:
 - What is the current and potential added value and strategic positioning of the programme in conducting effective decentralization policy-pilots in the light of the policy, legal and institutional enabling environment, and the passing of a new pro-decentralization Constitution?

Sustainability of results and exit strategy

- 4.1 What is the likelihood that the project results will be sustainable, in terms of systems, institutions, infrastructure, financing, and in terms of anticipated poverty reduction impact?
- 4.2 Are planned exit/handover strategies appropriate and timely?

¹⁷ See UNCDF Business Plan 2006-2007.

4.3 Is there an added value role for UNCDF to play beyond project completion?

In addition to assessing the evaluation questions above, the team should analyse any other pertinent issues that need addressing or which may or should influence future project direction and UNCDF engagement in the country.

D. Organisation of the evaluation

1. Consultant profiles and responsibilities

The Mid-Term Evaluation is to be conducted by a team of 3 consultants, with the profiles outlined below. The evaluation team may also benefit from the input of a gender consultant (to be confirmed).

Lead decentralization consultant

Profile:

- International comparative experience in the field of decentralization and local development.
- Experience in leading evaluations of decentralization and local development support programmes.
- Substantial experience in: decentralized public expenditure management and infrastructure and service delivery; local government capacity building for decentralized public expenditure management and operationalisation of decentralized systems of planning and financing at local level; policy, legal and regulatory reform related to decentralization; rural development.
- Experience in assessing gender mainstreaming and community participation issues.
- Thorough understanding of key elements of results-based programme management.
- Knowledge of decentralization in Bhutan, and/or regional experience in the area of decentralization an asset.

Responsibilities:

- Documentation review
- Leading the evaluation team in planning, conducting and reporting on the evaluation, in coordination with the Team leader of the Multi-donor Decentralization Outcome Evaluation.
- Deciding on division of labour within the evaluation team
- Use of best practice evaluation methodologies in conducting the evaluation
- Leading presentation of the draft evaluation findings and recommendations in-country
- Conducting the debriefing for UNCDF HQ and regional staff
- Leading the drafting and finalization of the evaluation report

National decentralization consultant

Profile:

- Good understanding of decentralization history, process and issues in Bhutan.
- Implementation and evaluation experience in the area of decentralization in Bhutan
- Experience in conducting evaluations – applied knowledge of evaluation methods and tools.
- Excellent English (oral and written). Able to effectively communicate with local stakeholders in Dzongha.

Responsibilities:

- Documentation review
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the lead decentralization consultant
- Contributing to presentation of the evaluation findings and recommendations at the evaluation wrap-up meeting
- Contributing to the drafting and finalization of the evaluation report.

Infrastructure and service delivery consultant

Profile:

- Qualified civil engineer/chartered surveyor with specialised knowledge of infrastructure and service delivery, including design and implementation of small-scale infrastructure construction projects, best practice procurement processes, assessment of technical quality and cost effectiveness of infrastructure, operations and maintenance systems, and community labour-based approaches to infrastructure and service delivery.
- Good local knowledge of decentralization history, process and issues in the country.
- Experience in conducting evaluations – applied knowledge of evaluation methods and tools.

Responsibilities:

- Documentation review
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the lead decentralization consultant
- Contributing to presentation of the evaluation findings and recommendations at the evaluation wrap-up meeting
- Contributing to the drafting and finalization of the evaluation report.

2. Evaluation plan

An indicative workplan detailing the schedule and number of workdays for the evaluation can be found in Annex 2. The workplan is based on a six-day work week. The lead consultant for the evaluation of the Decentralization Support Programme will make every effort to coordinate this evaluation with the concurrent Multi-donor Decentralization Outcome Evaluation.

Specifically the evaluation of the DSP will comprise the following stages:

- 2.1 HQ phone briefing: The lead consultant will be briefed by telephone prior to the fieldwork by the relevant UNCDF evaluation, technical and programme staff.
- 2.2 Review of relevant documentation: A list of key reference documents is provided in **Annex 3**.
- 2.3 Finalisation of evaluation work plan: On the first day of the evaluation mission, the Evaluation Team and DSP Programme Officer will review the draft evaluation workplan (**Annex 2**), and make any adjustments they see fit, taking into account practical and logistical considerations.
- 2.4 In-country briefing: The Evaluation Team will be briefed on the first day of the evaluation mission by UNDP/UNCDF representatives, and relevant government and other stakeholders. All relevant documentation not already sent in advance to the Evaluation Team will be provided by the DSP Programme Officer.
- 2.5 The evaluation: The Evaluation Team will design and conduct the evaluation employing best practice evaluation planning and methodologies. As far as possible the Evaluation Team will triangulate evaluation findings using multiple sources/methods. Wherever possible, all evaluation data should be disaggregated by gender. The evaluation should include all key stakeholders, and a sample of districts and communities in which the project is operating, aiming for the most representative sample feasible. Whilst this mid-term evaluation does not focus on achievement of outcomes or impact, indications of such should be sought using qualitative methods, including consultations with the intended clients of the project. As far as possible, the Evaluation Team should discuss findings with beneficiaries and stakeholders at each stage of the evaluation and obtain their feedback.
- 2.6 In-country evaluation wrap-up meeting: There will be a joint wrap-up meeting of the DSP Mid-Term Evaluation and the Multi-donor Decentralization Outcome Evaluation. At the wrap-up meeting the Evaluation Team will present their key findings and recommendations to key stakeholders for discussion. The DSP Programme Officer will take minutes of the meeting, which will be submitted promptly to the UNCDF Evaluation Advisor, all key stakeholders, and to the Evaluation Team, for their consideration in drafting the evaluation report.

- 2.7 An in-country debriefing session between the Evaluation Team and the UNDP Resident Representative and Government partner representative may be held upon request.
- 2.8 Draft evaluation report and Evaluation Summary: The lead consultant will submit a Draft Evaluation Report and Evaluation Summary to the UNCDF Evaluation Adviser, which will be circulated to all key stakeholders for comment.
- 2.9 An evaluation debriefing for UNCDF HQ and Regional staff will be provided by the lead consultant. The Evaluation Advisor will take minutes of the debriefing, which will be submitted promptly to all key stakeholders and to the lead consultant, for his/her consideration in finalizing the evaluation report and summary.
- 2.10 The Final Evaluation Report and Evaluation Summary will be submitted by the lead consultant to the UNCDF Evaluation Adviser.

3. Reporting arrangements and administrative/logistical support

Overall, the DSP Evaluation Team reports to the UNCDF Evaluation Advisor in New York. In-country, the evaluation team reports to the UNCDF Representative (i.e. UNDP Resident Representative). On a day-to-day basis the Team Leader of the Multi-donor Decentralization Outcome Evaluation will have the responsibility for managing complementary and ensuring synergy of the two evaluations.

The DSP Programme Officer will act as the in-country evaluation focal point and will ensure that the evaluation team is provided with all necessary administrative and logistical support to arrange and carry out the evaluation.

4. Evaluation financing

The Evaluation Unit will fund the following costs of the evaluation:

- Fees for international and national consultant
- Flight tickets for international consultant
- DSA for international and national consultant

For efficiency purposes, all costs of the evaluation excluding international and national consultant fees, DSA and flight tickets will be financed through the project budget. This may include, for example, local transport costs (driver DSA, petrol) and costs associated with arranging stakeholder meetings.

E. Deliverables

The lead consultant is responsible for preparing and submitting the following deliverables:

- Draft Evaluation Report and Evaluation Summary: The lead consultant is responsible for consolidating the inputs of team members, and taking into consideration comments received at the in-country evaluation wrap-up meeting, to produce a coherent Draft Evaluation Report and Evaluation Summary, according to the format in **Annex 4**. The Draft Report and Summary is to be submitted electronically to the Evaluation Advisor and Bhutan Programme Officer by the agreed date (see workplan).
- Final Evaluation Report and Evaluation Summary: Based on comments received on the Draft Evaluation Report, and at the UNCDF HQ evaluation debriefing, the lead consultant will finalise the evaluation and summary, with input from other evaluation team members, as required, and submit the Final Evaluation Report and Summary to the UNCDF Evaluation Advisor within 5 days of the receipt of the minutes of the UNCDF HQ evaluation debriefing, or by the agreed date.

The Evaluation Team's contractual obligations are complete once the UNCDF Evaluation Advisor has reviewed and approved the Final Evaluation Report for quality and completeness as per the TOR.

Logframe for Bhutan Decentralisation Support Programme

Results	Targets	Performance Indicators	Means of Verification	Assumptions/Risks
<u>Long-term Outcome</u> Measurable reduction in spatial disparities of GNH as confirmed by standardized verifiable indicators	<i>Not specified</i>	<ul style="list-style-type: none"> Household Income Education Health Economic Activities Physical Facilities Environment Transport Communication Position of Women Non-material needs 	<ul style="list-style-type: none"> National Household Survey in 2005 and beyond 	Development of Bhutan continues on its current course with no major disturbances
<u>Intermediate Outcome</u> Men and women take greater control of their own development planning & implementation management decision making	<i>Not specified</i>	<ul style="list-style-type: none"> RGoB increases financial resources available for locally defined development activities Co-operatives, Federations and one national Union formed and functional 	<ul style="list-style-type: none"> Decentralization Policy Implementation Reviews (PIR) Regular MoHA decentralization monitoring MoA Co-operatives monitoring reports Mid-Term Review Impact Evaluation Gender studies 	Donors switch an increasing portion of their resources from sectorally defined projects to flexible funding mechanisms amenable to being driven by local programming
<u>Output 1</u> Sensitized local governance institutions create a local enabling environment for complete decentralization policy implementation <i>(Indicative budget: US\$457,600)</i>	<u>Target 1.1:</u> Letter and spirit of CYT/GYT Chathrim are understood and implemented in all participating Dzongkhag. <u>Target 1.2:</u> National training institutes and training units in Government agencies fully understand decentralization policy and provide training that is supportive of DYT/GYT and co-operatives operations.	<ul style="list-style-type: none"> Public satisfaction on accountability and transparency of GYT and DYT Local elected and civil officials establish collaborative relations for regulating local development activities 	<ul style="list-style-type: none"> Decentralization PIRs Regular MoHA decentralization monitoring Annual reports Sectoral project reports 	Appropriate incentive structures and sanctions are in place to induce appropriate behavior among local leaders and civil servants Public has ready access to decisions made by GYT and DYT
<u>Output 2</u> Policies and practices enhancing citizen participation in local planning, decision-making and implementation management are institutionalised as a result of the successful implementation of the DSF <i>Indicative budget: US\$1,945,900</i>	<u>Target 2.1:</u> Structure of DSF is confirmed and codified as a basis for replication nationwide, clarifying the financial, planning, contract management and monitoring processes. <u>Target 2.2:</u> DSP is fully implemented in at least 40 Geogs, concerning the planning cycle and project completion rates.	<ul style="list-style-type: none"> Procedures for 10th FYP preparation provide guidance for participatory area-based planning at DYT and GYT levels within the context of fixed budget ceilings 	<ul style="list-style-type: none"> Decentralization PIRs Regular MoHA decentralization monitoring Dzongkhag reports Annual DSP reports MoF budget reports Concept framework for 10th FYP 	Implementation supervision is sufficient to avoid instances of serious malfeasance in DSF project implementation
<u>Output 3</u> Conducive conditions and support systems to create and manage local self-reliant co-operatives are established. <i>Indicative budget: US\$154,100</i>	<u>Target 3.1:</u> Implementing rules and regulatory framework for Cooperatives Chathrim is designed and introduced. <u>Target 3.2:</u> Cooperatives Chathrim is fully operationalized in DSP participating Dzongkhags.	<ul style="list-style-type: none"> By the end of the project the regulatory foundation appropriate to enable the rapid expansion of a co-operatives movement has been established, tested and modified 	<ul style="list-style-type: none"> Decentralization PIRs Regular MoHA decentralization monitoring reports MoA Co-operatives monitoring reports Annual DSP reports 	People are interested to form co-operatives rather than continuing to operate as independent families or to establish private enterprises
<u>Output 4</u> Capacity enhanced in MoHA to provide overall management support for RGoB decentralization policy implementation <i>Indicative budget: US\$963,300</i>	<u>Target 4.1:</u> The capabilities of the Ministry of Home Affairs are strengthened to enable it to manage the DSP programme. <u>Target 4.2:</u> The capabilities of Dzongkhag staff are strengthened to manage the project. <u>Target 4.3:</u> Additional donor cost sharing is obtained to expand the project starting in year 3. <u>Target 4.4:</u> Lessons from successful DYT/GYT, DSP and co-operatives operations are documented, disseminated and used by national and local decision makers in support of decentralization throughout the Kingdom.	<ul style="list-style-type: none"> Donors increase their funding levels channelled directly through local level management DYT and GYT outside the project area adapt DSP lessons with own source and other revenues 	<ul style="list-style-type: none"> Decentralization PIRs Regular MoHA decentralization monitoring reports DYT annual performance reviews Annual DSP reports 	Trained staff are provided the opportunity to utilize their new skills Media campaigns and internal study tours are directed at providing access to tools and techniques that can be adapted without extensive external assistance

Annex 4: Decentralisation Support Fund – Infrastructure and Service Delivery

INTRODUCTION

The support programme for Decentralization policy of the Royal Government is aimed at strengthening capabilities of the Local authorities to carryout their duties at geog level independently. Through the programme the local authorities will have opportunity in building their capabilities in planning and implementation of minor infrastructure projects at the local level.

The UNDP/UNCDF MTET visited 3 out of the 5 districts which are part of the DSP, namely Zhemgang, Tromgsa and Gasa Dzongkhags. For the field visits a detailed questionnaire was prepared. The questionnaire was broken into four parts covering i) Planning & Implementation; ii) Operation & Maintenance; iii) Design of Infrastructure iv) Community Participation. The questionnaire addressed the various stages involved for geog/GYT identification and planning as well as implementation of DSP supported infrastructure projects. A number of people were interviewed in the districts. These were: Assistant Dzongkhag Engineering Cell (DEC), Deputy Gup (Mangmi) in Zhemgang, 4 Assistant DEC, 3 Gups, 1 ex-Tshokpa (Village representative in GYT) in Trongsa, and a Junior Engineer, a Gup and Deputy Gup in Gasa.

The Evaluation team visited and inspected the following geog DSP projects:

- ▶ Kikhar Irrigation Channel in Nangkhor geog, **Zhemgang**,
- ▶ Nabji-Korphu Power Tiller road, Korphu geog, **Tromgsa**
- ▶ Shengling Irrigation Channel in Langthel geog, **Tromgsa**
- ▶ Nubi Farmroad, Nubi geog, **Tromgsa**
- ▶ Tshangkha Farmroad in Tangsibji geog, **Tromgsa**
- ▶ Gup's Office construction in Damji and Khamey geogs, **Gasa**
- ▶ Maintenance of Mule Tracks i. Tashithang – Khailo (5km)
- ▶ Kukuna – Khailo (5km)
- ▶ Damji – Chorten Goempa (10km)
- ▶ Maintenance of wooden bridge in Gathana and Khamey geogs, **Gasa**

(For more detailed information regarding the above projects, refer to 'Field Notes')

FINDINGS

Procurement

The procurement of construction materials are being carried out as per the guidelines in Procurement Manual 2003, version II and III chapter 17 by the local authorities. In some cases the materials are provided by sector ministries or donors.

Generally the Gup has authority to procure materials up to Nu 50,000. Through calls for quotations the GYT verifies, evaluates and awards contracts to bidders. The actual quantities of the

construction materials are worked out by DEC and evaluation is done in collaboration with the Finance and Planning section of the Dzongkhag. If the construction works are awarded to the contractor the GYT/Gup needs to only keep an eye on the quality with reference to the specifications mentioned in BoQ (Bills of Quantities) and structure design.

Sometimes the work is executed by the line departments with technical assistance from DEC. This is the case for rural water supply and sanitation projects and steel truss bridge construction. For water supply schemes in the village communities, the materials are supplied by UNICEF from the central store in Phuentsholing. The materials are transported from central store to the nearest road head of project location. Further from the road head it is the responsibility of the local community to transport up to the project site. If it is Rural Infrastructure Services Division, SBS, Ministry of Works & Human Settlement, they procure all the required materials for construction of suspension bridges including steel parts and transport them to site. The community leader is required to arrange for the free labour contribution to undertake the construction.

Structure design and Planning

At the geog level, design of infrastructure is not done as there is no technical expertise to carry out to such work. But the Dzongkhag undertakes small scale design of infrastructure such as irrigation channel, mule tracks, community schools etc. Planning and design of major structures such as bridges, feeder/farm roads, Gup's office and schools are done by the sector departments/line ministries. So in most cases regarding the pilot schemes the Dzongkhag assists the GYT's on technical matters.

For these pilot schemes proposed by GYT it seemed that there was a lack of documentation and basic information regarding the schemes. This was especially the case for drawings, technical data, actual cost and local labour contribution. Overall, the design of infrastructure is yet to be streamlined at the Dzongkhag level. The proposed schemes of the community/GYT have to be studied and surveyed by the Dzongkhag for feasibility as well as cost estimates. Thereupon the geog/GYT has to be informed thereby enabling effective community mobilization for the works.

Cost effectiveness

There is a need for DEC to cost the projects where local community labourers are involved. In the present practice the DEC prepare a rough sketch drawing to support the costing by government analyzed rates BSR (Bhutan Schedule of Rates) of the items with reference to its base town. This procedure is used to work out the basic cost of the project which is inclusive of labour charges. But practically while implementing in the geog the free labour have been used and only the cost of the materials will be paid through the project budget, this is the case of Shengling village irrigation channel where there is free labour contribution¹⁸ from the communities. The table below is applicable for this project.

¹⁸ However, the labour cost must be worked out in three categories viz i) Cost with Free Labour contribution, ii) Cost with Payment made to only skilled and semi-skilled labour, iii) Cost with payment made to unskilled workers, skilled & semi-skilled workers.

WORK	workers engaged/day (A)	Average Rate (NU) per day (B)	Total Length (C)	Project duration (D)	Total Mandays (E=A*D)	Amount NU (F=E*B)	Rate per KM (G=F/C)
Irrigation channel	20	120	3.20 km	3 months	1800	2,16,000.0	67,500.0
Farm road	20	120	2.40 km	12 months	7200	8,64,000.0	3,60,000.0
Power Tiller road	20	120	3.60 km	6 months	3600	4,32,000.0	1,20,000.0
Mule Track	20	120	12.0 km	6 months	3600	4,32,000.0	36,000.0

But on the other hand, some projects pay only for skilled and semi-skilled labour and some pay to all three categories of workers (unskilled labour/helper, semi-skilled and skilled labour @ Nu. 100.0; 120.0; 130.0 respectively. For example, Kikhar irrigation channel and Nabji-Korphu PTT pay only for the skilled and semi-skilled labour whereas rest of the projects pay all three categories in which case it is difficult to assess whether the stipulated 5-10% community contribution is not met. The column 'G' represents the cost of labour per km of the respective works that could be saved. This table helps working out the budget excluding the labour expenditures.

Operation and Maintenance (O & M)

During the construction stage some selected local people can be trained with the help of skilled mason/carpenter/plumber based in DEC. This will help the community in maintaining the infrastructure that is implemented in the geog. Once the construction is over the concerned beneficiaries should take care of the proper functioning and periodical maintenance of the infrastructure.

All the geogs have maintenance budget reflected in the yearly budget proposal. The budget is derived exclusively from the rural tax collection. Since this amount on average is only about 30-50 thousand Ngultrum it is woefully inadequate. The GYT looks after the operation and maintenance of the infrastructure provided.

Coordination

The geog administration is not equipped with the proper manpower structure. At this stage the geogs will have to solely depend on the Dzongkhag and the sector departments/ministries. Apart from this it becomes very necessary to coordinate with NEC, Forest authorities and the local landowners to obtain timely clearances from the concerned authorities for implementation. The lack of manpower can lead to delay in terms of coordination between the concerned authorities. Additional local manpower could alleviate this problem and ensure completion of projects within the stipulated time frame.

Sometimes there is lack of such coordination leading to misunderstanding thereby hampering the activity in terms of time, money and resources. For efficient coordination and proper functioning of the local administration, it is felt necessary to add some certificate level staff to support the geog's administration.

CONCLUSION

Some of the Gups and Engineers stated that delay is due to i) distance in collection of local materials, ii) obtaining official clearances from Forest and National Environment Commission

(NEC) and iii) sometimes the village communities are not able to attend the work site as they have to work in their own field during farming season.

As stated by the Khamey Gup the GYT had to award the work of Gup's building construction to the contractor as there is no skilled workers in the village neither there is enough workers to take up the Gup's office construction. He also informed that most of the household members are migrated to urban area and they are left with only the older members and children who are not able to contribute to the construction projects.

The Kikhar DEC Engineer and the Shengling ex-Tshokpa pointed out similar difficulties in collection of local materials. They have to collect boulders from distance and sometimes they need to break the rock for which sufficient tools are not available. On the other hand there is inadequate availability of sand in the locality and they must carry it all the way from the road head to meet the requirements of the schemes.

Tangsibji Gup and Khamey Gup pointed out that it took 3 and 5 months respectively to obtain forest and NEC clearances to start the work.

Sometimes, due to geographical reasons of the project location there will be unforeseen landslide occurring during rainy season thereby effecting project duration and cost escalation. This is because for small scale works normally the Dzongkhag does not carry out the advanced feasibility studies and detail topographical surveys concerning geo-tech and bio-engineering.

To achieve the objective of the decentralization process of the RGOB for enhancing capabilities of the Local Communities, the following basic comments were made through the study from 8 sampled DSP projects:

- i. The Gup/GYT only cannot alter the design of the infrastructures just because it is inconvenient to him or the locality. If design is found unpractical it should be consulted with DEC and referred to the concerned sector department. (eg. the Khamey Gup has altered the flooring design of Gup's office in Damji, and it has now financial implication).
- ii. There is great delay in receiving materials both from the central stores in Phuentsholing and from Dzongkhag stores, which leads to waste of time and money. Because of this delay the skilled labourers sometimes remained idle for which they have to be paid. It also results in delaying of project completion thereby escalating the cost.
- iii. There does not seem to be uniform system of maintenance of the infrastructures due to insufficient budget for maintenance. The rural tax collected over the year from the community ranges from 30,000 – 50,000 Ngultrum which is not meeting the expenditures for maintenance. As per the Gups the rural tax collected is kept for maintenance works which is very little. There should be some budget provision for maintenance from the government depending upon the number of infrastructures needing maintenance within geog yearly plan.
- iv. It was surprising to note that neither the Dzongkhags nor the geog office were in position to supply a copy of the proper drawings/designs of infrastructure proposed/under construction, or cost estimates of the project. Therefore, it is felt necessary to mention here that any proposal made by the geog/GYT in the yearly geog plan should be kept in records of what project the geog is implementing. These proposals with the proper design and cost estimates with implementing schedule should be forwarded to the DLG.
- v. All DSP piloted schemes be encouraged to be executed by the local community for good results on capacity building before the target period of the Royal government. Even if the work is

given to the contractor, the GYT/DYT should insist on employing local community workers, skilled and semi-skilled labour from the locality.

vi. DSP for pilot scheme in geogs is the backbone in enhancing capacity of the local communities. This programme is an opportunity for the local community to achieve their ability in shouldering responsibilities by taking part in the geog activities.

RECOMMENDATIONS

Infrastructure Design Specific

Roof overhang: In Gup's office construction the roof offset seemed to be narrow as per design (reference drawing roof overhang). Narrow width of the overhang will spoil the structure and the wooden window due to rain. Therefore it is suggested that the overhang may be increased in order to save the wooden windows which may damage before its actual durability.

Floor: Gasa is a cold temperate region. It was informed by the Gup that due to severe cold in the winter there is high moisture accumulation under the floors damaging the wooden joists. Therefore, it is suggested to revise the drawing by keeping soling over the compacted earth instead of air space under the floors.

Wall width: As per design the width of wall is 450mm in mud mortar. The GYT suggested having 600mm thick wall. It is acceptable to have the revision as it is a mud mortar wall.

Irrigation Channel: In the design of irrigation channel it is suggested that the wall thickness be reduced from 300mm to 200mm to minimize the cost of the project. As long as the specification is followed during construction the structure will have equal durability.

In case of Shengling Irrigation channel, it is felt that in the source to construct a catchment's tank with bigger area and install bigger diameter of HDPE pipe to have more supply of water for the farmland which is still left uncultivated.

Programme Specific

Resources: The geog administration needs immediate skilled manpower to operate and develop knowledge on planning process, financial management and technical skills to take up their responsibilities positively.

- a) Technical: 1 No. RTI (civil) graduate, certificate level
- b) Accounts: 1 No. Accountant, RIM graduate

Maintenance/operation & Sustainability: Due to inadequate human resources in geog level it is difficult to operate and maintain the activities with a result oriented outcome at least at this stage of decentralization process. In due course the geog administrations should have some specialized capabilities to handle their own developmental activities.

Field Notes

I Kikhar Irrigation Channel site, Nangkhor geog, Zhemgang, DSP fund

Accompanied by Junior Engineer (JE), DEC, Mr. Karchung

Interviewed: 1. JE

2. Geog Mangmi, Mr. Lham Tshering

Total Length- 3.20 km; Channel renovated- 1.50 km (old Channel in the same stretch). New construction of channel as proposed has a length of 1.70 km. Out of 1.70 km of channel 75 metres is stone masonry channel and rest earthen channel. From the source till the end, at the outlet points constructed outlet distribution pits constructed of stone masonry to facilitate outlet doors wherever the villages needed the water to feed the agricultural fields.

The community labours are involved in contributing for the construction at a nominal rate of Nu 100.0 per day per person. The local skilled and semi-skilled labourers are paid at the rate Nu 120-130 per day.

The present scheme is benefiting 43 household in the community. A total of 56.75 acres of wetland is being fed by this scheme. The GYT has again proposed for 72 acres of dry and cherry land to be benefited by another project in the same stretch.

Due to topographical features of the land along the irrigation channel needed some retaining walls to support the channel. Construction of these retaining walls has escalated the cost and therefore, the geog could construct only 75.0metres of permanent stone masonry channel with some distribution pits and the rest is earthen channel.

To reduce the cost and to have a longer stretch of stone masonry channel it is felt that the walls of channel be reduced to 200mm as shown in the drawing. The JE from Dzongkhag is extending technical backstopping and the Gup is taking all responsibilities of organizing labour, management of project and procurement. The village community is involved in collection of boulders, collection of sand, breaking of boulders/rock into aggregates and transportation. For local material, the Gup has to pay only royalty to the Forest authorities at Nu 40.0 per truck load which is 200.0 cft. The Gup arranges the procurement of cement from the local cement agent at a government prevailing rates and transported to the site by the community people.

It takes about half an hour walk from road head to the channel site. Nangkhör geog mangmi, Mr Lham Tshering informed that the geog has further proposal of a Community School for 40 children in Kikhar village. Presently, the Kikhar children are attending Buli primary school which is about 3 km away.

II Nabji-Korphu Power Tiller road, DSP fund, Korphu geog, Trongsa

Accompanied by Junior Engineer (JE), DEC, Mr. Sonam Dorji

Interviewed: 1. JE, DEC, Trongsa

Length- 29.0 km

The Power Tiller road construction starts from Wangdigang(off Zhemgang-Trongsa highway) and ends at Nabji with a branch to Korphu and Nimshung villages. It has total length of 29.0 km from zero point to Nabji including branch road to Korphu and Nimshung. The total estimated cost of the project is NU. 18.60 millions and funded by the four following donors:

1. World Bank (the major donor supporting approximately 7.90 millions Nu)

2. WFP (4000.0 USD + Free rations)
3. ECR (East Central Region) supporting for Tools and Plants
4. DSP Fund (0.729 million NU) Used for Blasting materials and skilled & semi-skilled labour payment.

This Power Tiller road basically benefits three villages viz Nabji Korphu and Nimshung with a total household of 210. The DSP fund was used for 3.60 km of Power Tiller road from Nabji to Korphu. Manual road excavation work was underway from Nabji by community labourers. It was planned by the GYT and DEC Engineer to complete 75 metres of stretch manual formation cutting per household by end of December 2005 excluding rock cutting and felling of trees. There is huge saving of fund due to community participation and therefore, the cost for per km of road construction is below NU 0.40 million. From each village there is contribution of 20 free labourers each day and local skilled and semi-skilled labourers are being paid of Nu 120 and 130 respectively and for blaster Nu 130 per day.

The survey and design and the cost estimates of Power Tiller Tracks (PTT) was carried out by Department of Roads. DEC is implementing the project with technical specifications from the centre. Machineries and construction materials and blasting materials are provided by the Department of Roads. The village headman is responsible to arrange for the local labourers from the community.

As per the survey alignment the road was actually stretching over 31 km but the village community and the GYT suggested diversion at some points and the total length of road is now 29.0km.

The GYT has a proposal to construct three bridges along the alignment and they are:

- ✓ 102 meters span over Mangde Chu
- ✓ 37 meters span over Wangdigang Chu and
- ✓ 45 meters span over SeleChu (optional)

Shengling Irrigation Channel, DSP fund, Langthel geog, Trongsa

Accompanied by Junior Engineer (JE), DEC, Mr. S.B Rai

- Interviewed:
1. Gup, Mr. Ugyen, age 60 years, 31 years as Gup and Chimi
 2. ex-Tshokpa, Mr. Namgay and
 3. JE, Mr. SB Rai, DEC, Zhemgang

The construction of irrigation channel is in Shengling village of 11 household. It is three and half hours walk from Gup's office Langthel, Trongsa dzongkhag. There was a high demand for irrigation channel in Shengling village. It was discussed many times in DYT before but could not get the fund for construction of irrigation channel as informed by the Gup. It was in third year of 9th Plan that Gup could get approval for funds for this particular project which had an urgent need. The old traditional earthen channel was not feeding much to irrigate the farmland. Due to insufficient water from the catchments area still some land are left uncultivated.

Shengling village has 11 household. It has total area of 50 langdos (one third of an acre, 1 acre equals 3 langdos). Out of 50 langdos the present irrigation channel is feeding for 30 langdos and 20 langdos still remain barren due to insufficient water. There is only one water source which has a limited

supply of water. From the steep terrain in the source the local community has connected the channel with 372.0 meter (62 Nos of 6 meter length HDPE pipe of dia 250mm) of HDPE pipeline. The total length of the channel is 2.15 km from the source to the end. Out of 2.15 km channel the village community has proposed to construct 80.0 meter of masonry channel and the rest earthen channel which will be renovated and some distribution pits will be constructed depending upon the farmland location for cultivation.

IV Kakaling-Bemji Farmroad, DSP fund, Nubi geog, Trongsa

Accompanied by Junior Engineer (JE), DEC, Mr. Sherab Phuntsho

Interviewed: 1. Gup, Phuntsho
2. JE, Mr. Sherab Phuntsho, DEC, Zhemgang

The farm road starts from Kakaling ends at Bemji, benefiting 107 households of 7 villages. It is a 12.0 km length farm road funded by World Bank (major donor) and DSP. Out of 12.0 km, DSP funded for 2.40 km stretch. DSP has budget for Nu 0.67 million in 2004-05 and Nu 0.85 million in 2005-06 as per yearly plan. Total budget approved is Nu 1.52 million.

Upon the field visit it was observed that 0.90 km of farm road and construction of RCC bridge (25 meter span) is completed with the first fiscal budget of Nu 0.67 million. It was informed by the DEC Engineer and the Gup that balance 1.50 km road will be executed with the second fiscal budget of Nu 0.85 million which is awaited.

The RCC bridge over the Khenche Chuzam was designed by the DEC supervising Engineer in collaboration with the Japanese consultant. The procurement of all the construction materials including blasting materials was done by the Gup in consultation with DEC Engineer. Machineries were hired from the department of Roads at a subsidized rate. Blasting expertise, unskilled, skilled and semi-skilled were hired and paid. The total expenditures for the above works were met by the DSP fund of first fiscal budget sanction. Now, the Gup is waiting for the second budget sanction 2005-06 to carry out 1.50 km of farm road.

V. Tshangkha Farmroad, DSP fund, Tangsibji geog, Trongsa

Accompanied by Junior Engineer (JE), DEC, Mr.

Interviewed: 1. Gup, Tenzin Duba
2. JE, Mr. kinga Dubjur, DEC, Zhemgang

The Farm road starts from Tshangkha highway to the community farmland which is 2 km in length benefiting 28 households in the community. Out of 2 km 400.0 meter of formation cutting has been completed with the machineries hired from Department of roads at subsidized rates. It has been informed that if DSP fund is insufficient to complete the farm road then Gup can request supplementary budget from ECR (East Central Region).

Due to the urgent need of a irrigation channel in Kela village the Gup has shared DSP budget as allocated with the construction of Chuzor Irrigation channel in Kela with prior approval of the all village communities/GYT.

It seemed that this project had encountered a series of problems while implementing physically. Problems such as:

1. The Park Authorities complained to stop the construction as the road cutting were just below the Park office. But the Gup convinced the Park authorities that the road cutting would not disturb the structures and area of the Park's jurisdiction.
2. It took several months to obtain clearance from the NEC authorities. This was one of the reasons of delay in execution.
3. The Forest authorities also delayed in marking the trees along the alignment.
4. The original surveyed alignment was towards the east and ending at the same point. But due to following reasons the alignment was changed by the GYT and DEC towards the west (i.e. the ongoing construction site). 1) Historical local beliefs that there were religious deities in the project area. 2) The original alignment seemed to be in a marshy area where there could be landslides and added cost for the maintenance (but the present alignment where the construction is underway seemed to be very faulty as well).

On overall observation revealed that the new alignment also has unstable soil. At many points in the stretches there are landslides almost taking away the road. As per physical verification the whole farm road stretch needs several retaining/breast walls in order to stabilize the soil.

VI. Damji Gup's Office Construction, DSP fund, Khamey geog, Gasa

Accompanied by Junior Engineer (JE), DEC, Mr. Megnath Neopani

Interviewed to: 1. Gup, Kencho Gyeltshen
2. JE, Mr. Megnath Neopani, DEC, Zhemgang

The new Gup's Office construction is located 1.50 km away from Damji place called Jongthong nearby the new Higher Secondary School. The location happens to be the centre for the 8 villages. It is constructed on the government land about 200 meters off the school approach road. Apart from the Gup's office building the Gup and the GYT has the following additional proposal which has been passed by the village community/GYT and DYT with supplementary cost from DEC as below:

- ✓ Construction of Pit latrine (estimates not done yet)
- ✓ Water supply to the building (Nu 41,022.05 as estimated)
- ✓ Approach road about 200 meters (estimates not done yet)
- ✓ Barbed wire fencing (Nu 29,481.06 as estimated) and
- ✓ Site development works (estimates not done yet)

The total estimated cost of the Gup's office was Nu 1.20 million. But during the tendering process the successful contractor had bid for Nu 0.945 million excluding the above 5 mentioned items.

Since the work is awarded to the local contractor, there is no local labour contribution. But the Gup is involved to monitor the works, checking materials whether they are supplied as per specification, checking the quality of structure, bills scrutiny and payment with counter signatory from the District Finance Officer (DFO), and the DEC Engineer has continuous support on technical backstopping.

While interviewing the Gup and the JE, DEC The Gup had some alterations on the original designs of the Gup's building. They are:

Floor design: As per the design the floor has wooden flooring rested on wooden joists with a vertical gap of 300mm with ventilated air space under floors. In this 300mm gap, 200mm of soling and 100mm of lean concrete was provided which are extra items. These extra items will now have financial implication which should have discussed before calling for bids.

Roof overhang: The roof overhang was increased by 300mm

Wall thickness: The Gup suggested to have 600mm of wall thickness instead of 450mm as per design. But this item has not been changed while physically inspecting.

VII. Maintenance of Mule Tracks: i. Tashithang – Khailo (5km) ii. Kukuna Khailo (5km) iii. Damji – Chorten Goempa (10km)

VIII. Maintenance of wooden bridge in Gathana, Khamey geog, Gasa

Accompanied by Junior Engineer (JE), DEC, Mr. Megnath Neopani

Interviewed to:

1. Gup, Kencho Gyeltshen
2. JE, Mr. Megnath Neopani, DEC, Zhemgang

The Gup has plan to renovate and carryout maintenance works in the above mule tracks and wooden cantilever bridge in the respective villages with the balance DSP funds of 2003-2004 which he expects to be about Nu 0.30 million. The Mule tracks require continuous maintenance due to intensity of mules that travel through these routes daily. While having visited the Gathana Wooden Bridge, it seemed that the bridge does not need maintenance for about 2 years. The abutment walls seemed satisfactory.

Mode of implementation

As usual practice in geog, there are different mode of implementation practices depending upon the the size of the project: i) Award of Contract, ii) Departmental, iii) Community Contribution and iv) Mixed Implementation. The following are the brief descriptions.

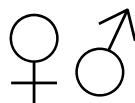
Award of contract: In this case the work awarded to the eligible contractor and it is fully executed by construction Firm/Company.

Departmental: The concerned parent department will take up the implementation for the execution of the project

Community Contribution: The villagers are involved in implementation with a nominal wage rate or sometimes free labour cost.

Mixed Implementation: In this case the labour will be contributed by the communities and the materials will be supplied by the government/donor agencies.

Annex 5: Gender Assessment



THE GENDER QUESTION

IN THE CONTEXT OF DECENTRALISATION IN BHUTAN - An assessment

(within the purview of a multi-donor Decentralization Outcomes Evaluation and the Mid-term Evaluation of the Decentralisation Support Programme supported by UNDP-UNCDF-SNV)
7 – 30 November 2005

1. GENERAL INTRODUCTION

“Decentralisation is a pre-requisite for effective mainstreaming of women’s concerns in development” (HDR South Asia, 2000)

Relevance of gender :

Decentralization, as a form of governance, involves exercising power and authority in the public sphere. Gender relations too is about power relations between women and men in the private sphere of family and kinship which (by default) ultimately defines power, authority and identity in the public sphere. The two are closely interrelated and have the potential to influence each other positively (and negatively) in terms of strengthening or weakening women’s agency and leadership capacity. While women have been part of local level politics indirectly, to take on leadership roles within the system is a somewhat non-traditional role. However, decentralized governance offers women the opportunity even if the vast majority of them still lack self confidence and necessary institutional and community support to avail it. As we will see, women are equally challenged by perceptions and values of society as well as women themselves which contribute to some factors that do not encourage them to participate in a worthwhile manner. Likewise it is also easy to sideline and or ignore poor men and youth in the democratic processes unless they are facilitated along with women.

When gender-sensitively designed, supported and promoted, the processes of democratic decentralization can offer an expanded space and chances for greater gender and social equity. Women along with weaker sections of society get the opportunity to experience politics first-hand, overcome fears, negotiate on an equal footing and take responsibility to influence development and aid so that hitherto unattended concerns and needs can be duly attended and incorporated into mainstream development. If not engendered, the process can become yet

another sophisticated (and intimidating) maze that development promotes which runs the high risk of perpetuating the subordinate position (assumed inferiority to men) of women and the marginalized to help preserve the status quo. Women and the poor will not get to develop and exercise their agency and experience 'power' and autonomy unless sensitively facilitated. Practically speaking, gender specific needs will not be priority and the case for gender equality and equity will remain an illusion.

Documentation and literature thus far on decentralization and development outcomes in general tend to be quiet on the gendered perspectives whether it be the outcomes of political, administrative and fiscal decentralization, or opportunities to participate equally, or gendered access to public services and gender specific constraints to democratic functioning. Hence research on the differential impact and dimensions of decentralization on women and men needs to be pursued if decentralized development processes are indeed meant to be more inclusive and promote effective participation, roles, responsibilities, rights and benefit of both genders on more equal and equitable terms. Decentralised local governance is seen as one of few sure means or vehicles of development for promoting and achieving greater gender equality.

2. INTRODUCTION TO ASSIGNMENT

As explained in the main reports of the respective teams, the current gender assessment was fielded simultaneously with the two evaluation teams ie. Mid-term Evaluation of the Decentralisation Support Programme of UNDP-SNV-UNCDF and the overall Decentralisation Outcomes Evaluation. The key objective of the assessment would be to gauge to what extent decentralization has contributed (or has the potential to contribute) towards the advancement of gender equality more generally (Outcomes evaluation) and particularly in the project (DSP) areas.

The assessment is an attempt pick up the gendered outcomes of decentralization policy broadly and some positive / negative impacts by the DSP project specifically. It will help highlight good practices if any and render measures that can make democratic decentralization processes more gender sensitive so that the other 50% of the population and the poorer sections within the society can participate and derive benefits from development on more equal and equitable terms.

3. METHODOLOGY

Within the given time frame, it was attempted to carry out a quick and dirty gender assessment covering the three key elements as stated above, best as we could. After fairly exhaustive rounds of meetings in Thimphu, the two teams then traveled to Zhemgang, Trongsa, Bumthang, Wangdue, Gasa, Chhukha (replaced later on by Paro). As the two teams would start to travel together but go different ways after Zhemgang, questionnaires and checklists that the DSP team intended to use were reviewed and gender questions incorporated to make sure that the team captures adequately key differential views of and impacts on women and men by DSP led activities. Another set of gender checklist was prepared and distributed among all team members to make sure everyone probed from a gender angle as we went into the field.

Following were other types of methods used as we traveled around the selected Dzongkhags and walked to project sites :

- direct observations
- semi-structured interviews
- interviews with key persons

- focused group discussions with women
- mixed group interviews
- discussions within the team

4. GENDER IN THE CONTEXT OF DECENTRALIZATION IN BHUTAN

Bhutan is signatory to UN Conventions such as CEDAW, Beijing Platform for Action and MDGs – all of which emphasise that gender equality and women's empowerment are key to poverty reduction and eradication of hunger.

"Bhutan has an extremely enabling environment for gender mainstreaming" as stated by the Gender Pilot Study of 2001 carried out by UNIFEM South Asia and Planning Commission, Bhutan. States the same study that:

"The Royal Government is committed to promoting decentralized governance and people's participation in development. This calls for enhancing the existing understanding of the different needs, interests and constraints on women and men..."

Amongst a whole range of findings, the Gender Pilot study also juxtaposed a few critical issues alongside this positive environment. It draws attention to the fact that certain dominant socio-cultural perceptions seem to be continuing to perpetuate male superiority and that, as societies move from rural agrarian backgrounds to more urban-modern settings *"women seemed to be losing their decision-making role"*.

With governance localized, it is assumed that women would be there ! But surprisingly even in a very gender egalitarian and largely matrilineal society as Bhutan where women hardly know what gender-based discrimination is all about, women are unable to break into the local governance power ghetto.

In the places visited by both teams, despite the favorable situation for gender relations in this society, and overall enabling policy environment provided by the RGoB, the newly emerging political culture and environment appears to be fairly formidable for women and the poor. The statistics on 'gups' from the recent elections as well as the kinds of criteria, women and men spontaneously voiced for someone to be a 'gup' are indeed worrying indicators. It is clear that steps need to be taken to sensitise women and men and to recognize and clarify the fear and 'phobia' that is looming large over people's psychology. If not, there is danger that particularly rural women and socially-excluded men and youth will withdraw further and interpret that local politics, similar to bureaucracy, is meant for the privileged, rich and well-to-do men only, perpetuating the existing gender imbalance.

Such a situation is not unique to Bhutan. Gross under-representation of women and minorities in politics is a chronic problem world-over. The situation is improving but very slowly. In 103 countries the proportion of women in Parliament increased between 1995 – 2000 but the global average is still around 14 %. This, despite Beijing PFA's goal of adequate representation of women in all decision-making bodies and its recommendation of creating 'critical mass' and 'gender balance' in political decision-making.

Lessons from elsewhere also suggest that the virtual absence of women in the political arena and in decision-making positions within the bureaucracy, does lead to the emergence of a more male dominant development agenda (unconsciously gender blind, sometimes gender neutral)

which gets deeply rooted after a while and takes decades of advocacy and struggle to tip the scale in favour of equity and women.

Gender relations are deeply rooted in an ideology of relationship where women are seen as 'inferior to men', subordinate to men, dependent on men and thus women are denied a meaningful and visible role in decision-making role in public spaces ie. politics included. This does not match what is perceived generally in Bhutan. Bhutanese women and men have always shared and cherished far more harmonious gender relations and power equations historically. However, rural women have not been able to make much headway into modern local governance structures. Post recent elections of gups, mangmis and chimis, there are few women who have been elected to serve in these key positions. Latest figure for Bhutan in relation to Women in parliament also stands at 8.4 % (HDR 2005); down from 9.3 % (HDR 2002) and 14% in 1999.

Therefore, the gender question within the context of decentralization in Bhutan, is clearly the virtual absence of women in decision-making levels of GYT and DYT. The key need is to analyse and address women's inability to break into these local governance power structures and reduce their increasing 'invisibility', 'voiceless-ness' and a slightly indifferent attitude towards these key institutions within their reach ie. GYT and DYT as they feel they don't have a role.

The challenge then is to overcome this issue with increased numbers of women nominating themselves at next election for gups, mangmis, chimis and campaign with women and men to vote for them. Incentives for support extended by elected men may need to be thought of. Psychological barriers with regard to bias against women's participation amongst the masses will have to be overcome through voter education and public campaigns to increase awareness. Equally important will be to support those already in-service to do a good job and serving their geogs well. The age-old historical glass ceiling has just been broken when citizens of Chengmari geog of Samtse Dzongkhag voted in favor of a female gup. Psychological barriers in the minds of traditionally oriented women and men should slowly melt down and more women in other parts of Bhutan will dare to be gups in the near future.

There is a need to strategise to capitalize and build on the past and existing gender egalitarianism in Bhutanese society and motivate these local level institutions to champion the cause of women and gender equality / equity to result in effective and meaningful decentralization. The need to challenge patriarchal trends and influences that appear to be fast overtaking and changing negatively the historically matriarchal, matrilineal societal norms and values is critical.

From recent experience, it is also clear that literate women (school drop-outs trained as NFE instructors) stand a better chance in this competition for positions at GYT and DYT. They have been able to command respect from the community, have more self confidence, and hence managed to garner support, and stood a far better chance than ordinary women. Therefore, it is imperative that we work on expanding support to literacy programmes, NFE classes and similar initiatives and build up women's leadership to take on strengthened roles in Local governance, starting with becoming skilled, informed, committed, motivated and devoted Tsgogpas and Mangmis who can make a difference in the GYT forum, influence its agenda and decisions through effective participation.

Against such a background, comparatively, women citizens in non-DSP supported Dzongkhags of Wangdue and Chhukha/Paro appear to be far more politically aware compared to women in

remote geogs of Zhemgang or Bumthang. Chhukha Dzongkhag, in fact, has a woman Mangmi (elected and salaried), two female clerks (which is quite unusual too) and few female Tshogpas; leading in the number of female geog officials. The progressiveness of these Dzongkhags in question are quite clearly linked to factors such as accessibility, closeness and contacts with the world in the capital town and urban centres.

In the paragraphs that follow, with the help of observations from our field trips, a whole range of issues and questions - conflicting, confusing, and intriguing as they may appear, will be presented to scan the environment and situation more generally within the four broad types of decentralization to try and contextualize the issue and discuss specific ways forward to enhance gender equality for good governance, poverty reduction and fulfilling national, regional and international commitments, most importantly CEDAW and MDGs in line with RGoB's fulfillment of a responsibility in a larger international community.

4.1. POLITICAL DECENTRALISATION

-Gender relations in Bhutan are highly egalitarian

Following local traditions and customs, there is an unwritten and informal norm through which land, livestock, and family home/house are definitely passed down from mothers to daughters in most parts of rural Bhutan. With the exception of a small percentage in the south and eastern parts of the country, where patrilineal pattern of inheritance is predominant, women largely inherit family property and land and play a central role in the households. Traditionally, most marriages tended to be matri-local too in which the man moves to become a member of the woman's household which adds to the strengthened position of the woman. With no stigma attached to divorce and re-marriages common, Bhutanese society values girls and boys equally; in fact 'the girl child is a favoured child' as revealed by a UNICEF study (Uni Waken 1990).

During the travels to the sample Dzongkhags, this was further confirmed as things are starting to change but the pattern of matrilineal inheritance still holds firm, irrespective of its implications for women and men on gender relations (a case to be studied). Hence, it is also safe to say that the subordination of women within households and restricted (discriminatory) access to resources and income is rare in Bhutan. Rural and urban Bhutanese men will frankly (without feeling ashamed) oblige and say that women control the family purse strings although major expenditure decisions are made jointly. In other countries, I have come across men who consider it below their dignity to admit that women control their families. In Bhutan, with some exceptions, this is not generally the case.

Despite this favourable story

- A Gup¹⁹ is a man for all practical purposes or understandings

The highest post of a geog – the 'Gup' a traditionally male only position, still remains male dominated. No woman has ever become one nor do any woman really / whole heartedly dare to aspire to become one ! When probed about their aspiration to be a gup, some women were innocently shocked by the question and said "*we women are nine births inferior to men*" and moreover the post requires much '*cho-drup*' (capabilities) which includes literacy, knowledge-experience-exposure (*shep-thom; ta-shep-thong-shep*), ability to communicate effectively (*lo lap-shep-da ngen-shep*) - qualities which they claim only men have.

¹⁹ Note : On the eve of this mission, a woman in Samtse Dzongkhag got elected as Gup of Chengmari which is promising, given that patriarchal norms are far more deeply embedded in the cultures of ethnic populations in the south. 33 year old Meena Thapa has certainly made history!

Some 'women were being threatened by men' should they dare to nominate themselves for the post of the Gup, in Wangdue. Others say that women did not stand up for elections for fear of losing. Male opposition and female's lack of confidence in operation (in harmony?) so all 15 gups of Wangdue elected in 2005 are once again all male; 10 old re-elected and 5 newly elected. .

Perhaps.....

- The closer 'home' it gets, stronger seems the bias ?

Even in this dominant culture of gender egalitarian relations, when the issue of sharing public spaces, power and authority comes up, traditional mind-sets seem to get the better of men. An interviewee considered it *'inauspicious'* for women to sit in these high seats in the community (Yul-go) particularly. There was far more ease and comfort expressed with educated women taking up senior positions in the government as high as a minister (*Lay-khung na-di aum-soo lyonpo bay-roo tu-bay ...lay-zhim-may...*) This is common phenomena every where in the world. Further away from home, the easier it is to accept. As always, it is easier to preach than practice a concept particularly when it comes to gender equality.

- Gender dis-aggregated personnel data in sample Dzongkhags :

I. Political level :

Dzongkhag	Gup			Mang-mi			Tshog-pa			Gay-drung			Chimi			GYT members			DYT members	
	M	F		M	F		M	F		M	F		M	F		M	F		M	F
Zhemgang(DSP)	8	0		8	0		67	4		8	0		6	0		91	4		23	0
Bumthang(JICA)	4	0		4			26	6		4	0		3	0		38	6		14	0
Trongsa(DSP)	5	0		5	0		38	0		4	0		5	0		83	2		16	0
Gasa(DSP)	4	0		3	1		15	2		4	0					22	3		9	1
Wangdue(non)	15	0		15	0		168	0		14	1		7	0		212	1		37	0
Chhukha(non)	11	0		10	1		138	3		9	2		4	1		168	6		25	2
Paro	15	0																		
TOTAL	62	0		45	2		452	15		43	3		25	1		614	22		124	3

II. Administrative (including sectors excluding health and education) :

	Grade 1-4			Grade 5-7			Grade 8-10			Grade 11-17			GSC			ESP			Total	%female overall
	M	F		M	F		M	F		M	F		M	F		M	F			
Zhemgang(DSP)	1	0		8	0		45	1		55	6		7	0		17	5		145	8.28
Bumthang(JICA)	0	0		14	0		33	9		37	15		10	0					118	20.34
Trongsa(DSP)																			119	12.61
Gasa(DSP)	1	0		13	0		3	1		7	2		10	4					41	17.07
Wangdue(non)	1	0		1	0		30	5		13	12		9	3					74	27.03
Chhukha(non)	3	1		16	1		42	16		66	28		8	1		16	2		208	23.56
Paro																				
TOTAL	6	1		52	1		153	32		178	63		44	8		33	7			

- A female Mangmi (Mangi-ap) is not a common sight yet :

The second most prestigious and 'paid' position after the Gup happens to be that of the 'Mangmi'. *Traditionally known as Mangi-ap or father of public.* Only two women (5%) have managed to graduate to this post against forty odd men in the concerned Dzongkhags. In another Dzongkhag in western Bhutan not covered in our schedule, there is yet another female Mangmi who has been serving for last three years. During discussions with few senior male citizens, quite some strong views advocating against women holding the posts of 'Gup' and 'Mangmi' were expressed which confirms why so few women dare to accept nominations, leave alone stand up or nominate themselves for it ! Does this hesitation triggered by local bias have to do with the financial benefits (salary) tied to the post or the sheer fact of power, authority and autonomy which men do not want to share with women yet ?

- GYT's remain largely gender blind :

Little wonder why in the first formal layer of local government ie. GYT's women have barely managed an entry. GYT's are the highest decision-making body closest to where women live and where the major decisions affecting their wellbeing and development are made prior to submissions to the DYT's. Women's 'invisibility' and 'voicelessness' starts from that critical layer (community) of local governance which becomes an area of concern. Almost all over, women appear to have little or no say in what is being planned and decided for their villages. Their virtual absence makes the situation grave. In few geogs, where women as Tshogpas (Mangmi or Gaydrung) are represented in the respective GYT's, they are a minority, insignificant and ignored. Hence, quite obviously decisions of the GYT's tend to be largely gender blind.

Sample Dzongkhags show a 3.73 % female representation in GYT's and 2.38% in DYT's, whereas it could/should be far better in Bhutan given the good position and social status women enjoy here compared to many other countries. It's 24% in Nepal and 33% in India (owing to affirmative action/reservation) and equally poor as Bhutan is Sri Lanka with 2% female representation.

Hence....

- Is decentralised governance still a mirage for women ?

Women have been largely restricted in mobility, as they stay home, 'unheard' and 'unseen'. Whilst taking on this double / triple workload, women make it possible for their men to go for trading, trainings, meetings and elections etc. Women themselves continue to be less exposed and less literate because the enormity of the responsibility for continuity and survival of the family, to run the farm, grow food and raise the children seems to rest solely on them.

The seemingly 'natural' and convenient gender roles division limits a woman's sphere of influence to the private and a man to be the more external, freer and public face of the family. As the Gender Pilot study indicates, although women participate in village meetings in big numbers, with the rising levels of governance, 'invisibility' of women increases correspondingly. In effect, as governance comes closer to women, further it seems to go like a mirage in the desert, contrary to beliefs that women would be better able to play an active role once government is more decentralized and at their door step as it were !

- Is there a gender disparity ?

Earlier this year the third annual conference of rural leaders was held in Thimphu, which was attended by 201 Gups – GYT chairs and 20 DYT Chairs. It was an all male show. When interviewed on the sidelines of the conference the two former Chimis (women) told Kuensel that *'atleast 10% of the gups and chimis posts should be held by women as women can understand*

womens' issues better"....that given a chance, women could prove as capable as men. These are views of women who have been there ! A call for affirmative action. The Gender Pilot study of 2001 had highlighted Bhutan's conducive policy environment for gender mainstreaming which these women also confirmed that ...*'the government supports women but there is a lack of support from the general public....as it is traditionally believed that women are inferior to men'* and hence people generally, including women, have more faith in what men said. (Kuensel Vol.XX No.69 dated 24 Sept.2005). Having served as Chimis, these women have experienced the excitements and constraints associated with the political post and being the lone female member amongst a male majority. They are strongly advocating for measures to build up the critical mass of elected women's representatives in local governance(some kind of an affirmative action).

A standard argument used to counter it is that the nature of the job of Gups is not suitable for women as it is physically demanding and calls for literacy. In highly accessible areas where trips to villages are no longer as difficult women should be able to handle the difficulty of traveling. Literacy, although indicated as a desirable quality, seems to be more of an issue when considering women candidates to serve as Mangmi or Tshogpa considering that all the female post holders were/are NFE instructors in their respective villages. Most elected Gups continue to be semi-literate or illiterate but no one seems to be concerned. When we analysed the profile of newly elected Gups a cross cutting criteria to be elected seems to be previous experience in one of the geog level positions (as clerk, Tshogpa, Mangmi). Experience in public dealings is an area in which women fall short. Inexperience is clearly a handicap for women but without getting a fair chance to participate how can they ever accumulate any experience ?

- Women attend Zomdoos at village level even if participation is limited ...

Even in 'zomdoos' or village level meetings conducted by Tshogpas and Mangmis, we were told that 75-80 % of the attendees are women. However, when the 'gup' himself comes to conduct a village meeting, all men try their best to be there. At this stage of devolution, we learnt that although women might be present in big numbers, they lack the exposure and confidence to really participate and hence their needs are rarely expressed nor heard and addressed / incorporated in the long shopping wish lists that Gups and tshogpas gather for planning purposes ie.five year plans or annually. When asked a man in Buli, Zhemgang was honest enough to say that his wife and he prefer him to represent their household in such meetings as she is illiterate and 'doesn't know anything'. He too is illiterate and equally ill-exposed, but such is the comparative confidence and self image. Women who regularly attended village meetings said they went to escape the fine (of Nu.50) imposed on absentee households and basically listened to the 'news and instructions from the government' and nodded affirmatively to most things being discussed or asked of them. One 60 year old woman said that she being the least productive member of her household, attended all 'zomdoos' in her village and she had absolutely no idea about the DSP Block grant leave alone know why and how her geog / gup had decided to spend it on the renovation of an irrigation channel ! The men who are present and the gup / Tshogpa decide what's best for us, and we usually agree with 'him' was the unanimous response from almost all women.

However, most interactions reflect interest by women to participate given all their handicaps. The 'zomdoo' forum surely provides with scope to reach out more effectively to women and the poorer, weaker segments of the community. Increasing and strengthening women's participation in local governance in any case requires a long term strategy to change long-standing views and perceptions that stand in their way and build women and men's capacity to foster a positive and new culture. Monitoring and building on existing egalitarian relations amongst elected women and men and building their skills to mutually support / promote each other would be

beneficial to help women overcome the initial fears and strengthen their participation to benefit all whom they represent.

- Is 'zomdoo' an opportunity for facilitating women's engagement ?

Numbers matter and it's best to build on a forum where they exist in greater numbers ie. Zomdoos (village meetings) and where women are at ease. Informal in nature, it may be, but 'zomdoo' is actually the lowest tier of local governance where women have maximum access and supposedly 'voice' their opinions. Hence to facilitate the deeper engagement of women in any meaningful exercise on democratic decentralization, the importance of this tier of local governance cannot be ignored. Zomdoos offer the space and opportunity to reach out to women for political education, active participation and capture their 'voices' on local priorities for decentralized development that can promote, enhance and nurture greater levels of gender equality and gender /social equity. Zomdoo is also a more egalitarian forum / place where poorer and weaker men and women are not only better represented but can be facilitated to speak with more comfort and sense of security. Perhaps conscientious efforts to use the zomdoo forum to work on empowering women and engaging weaker/poorer segments in understanding and participating in decentralization efforts would be more fruitful in the short to medium term ? Thereafter, the more informed and empowered male and female community members could be facilitated to enter the next level ie. the GYT's with more confidence, knowledge and understandings so that they can make a difference and gain respect (versus the lone and ignorant / ignored 'token' woman representative). Leadership development programs could focus on them and build their capacity to be effective representatives.

4.2. ADMINISTRATIVE DECENTRALIZATION

- need for senior female staff as role models for communities :

A backbone of decentralized administration in the Dzongkhags is staffing, both in adequate numbers and quality as emphasized by one Dasho Dzongdhag. From a gender perspective it could be argued that an element of quality would be gender balance and gender sensitivity too in the senior positions that can make a difference to how programmes are negotiated, planned, designed and supported. At present geogs, gups and GYT's rely on Dzongkhags for a whole range of guidance, advise and support, and hence the influence that Dzongkhags have over DYT's, Gups etc..cannot be underestimated. From a gender perspective this is an opportunity given the strong, traditional mindsets at the community / GYT levels. As stated by the women chimis to Kuensel, *'women can understand women's issues better'*...but that women in the community are as yet hesitant to support women leaders.

Currently atleast in the Dzongkhags we visited, female staff appear to also occupy mostly the traditional positions and grades like elsewhere in the civil service ie. Secretarial (46%), mid-level (29%) and in decision-making positions it is still nil (0%). If Dzongkhags, particularly DSP supported Dzongkhags want to promote gender equality more proactively in the communities/geogs they guide, they must request RCSC for equal numbers of women officers for the positions ie. Technical and financial which have maximum interactions with Gups/geogs/GYT's/DYT's,

4.3. FUNCTIONAL ASPECTS OF DECENTRALISATION

- How do women views community participation through labour contributions ?

In general, it was expressed that the ban on 'goongda woola' had brought much relief to the community. However, during the 9FYP, together with the devolution process came the promotion of an enhanced role and authority for DYT's and GYT's which implied and demanded much more of peoples' time and labour. Zhapto-lemi as it is known, is the form of labour

contribution for community schools' construction and building of Basic Health Units. On an average, depending on the number of such infrastructural needs in a geog, households appear to be contributing free labour in the range of 1- 3 months a year. Other schemes (irrigation channel, mule track etc.) take up another 5-20 days a year; sometimes more; but these are paid a minimum wages.

In addition to the quantity, another issue was timing of schemes, which often clashed with peak agriculture seasons ie. planting, weeding, harvesting, threshing. Such clash of time puts communities in dilemmas and has often led to an occasional show of reluctance which might have made government officials wonder about the importance of the action. More schemes mean more days of work away from producing food and fending for the survival of the family (household food security issues). As women's time and labour tends to be less valued, the pressure of free labour falls on them in addition to their reproductive and community responsibilities which bear heavily on them already. Hence women's drudgery is an issue as it comes out from our discussions with women.

- less labour, more rural tax ?

When asked, single and poor women in particular expressed that they would rather pay a slightly increased tax for a substantial decrease or abolishment of community labour contribution towards schemes. More affluent households tend to benefit from the new schemes eg. feeder / farm road etc. through purchase of power tillers/tractors, trucks etc. and are also in a position to pay cash for their labour contributions. Poorer households are unable to pay and hence get pulled away from their livelihood activities on the farm and pay twice as a result.

- Is women-led community monitoring of schemes an option for women's empowerment ?

Given the total lack of a mechanism to involve communities in ensuring the timeliness and quality standards of works performed by contractors, it was felt that groups of women in particular could be trained to take on the task. Again lessons from Bangladesh go to show the effectiveness of such an arrangement and the positive outcome it has on women's self confidence and leadership skills. The DSP schemes should make it mandatory to form such committees and train selected women to take on the responsibility more effectively (and properly compensated). The Tang Feeder road renovation story proves that it will work well here in Bhutan too, where members of the community took the initiative to monitor work of the external contractor and actually reported and got him to re-do a part of the work.

4.4. FISCAL DECENTRALIZATION

Promoting gender equality actually enhances economic growth and efficiency. Given also government's obligations to international commitments to work towards gender equality, it seems only logical to review budgets, budgetary processes and objectives from a gender perspective to ensure that these policy commitments are being met systematically. Gender sensitive or responsive budgeting is a tool that deals head-on with equality in distribution of resources, access and funding to public resources and services and measures impacts of actions financed on women, men and gender relations; particularly focusing on fulfillment of targets under CEDAW, Beijing Platform for Action plus other such conventions. In other words it helps ensure that gender is effectively mainstreamed in all aspects of economic and social policies through adequate budgetary provisions that are carefully audited for transparency, efficiency, accountability and impacts on gender relations.

- How about women specific allocations ?

Promoting participatory budgeting and auditing (and gender-budgeting) as a norm, and allocating specific percentage of budgets for women's developmental activities would give women the much needed support and strength. In Kerala, India, ring fencing 10% of the budget for women's development initiatives with strict guidelines on spending, priorities, and monitoring helped ensure that the poor and women became the focus and benefited enormously from it.

Drawing from what we saw and heard, both in DSP supported Dzongkhags and non-DSP supported Dzongkhags, a similar process of ring-fencing a certain amount of the Geog Development Fund to cater to specific needs felt by women and poorer, less privileged households whose voices are weaker and 'unheard' somehow, would be beneficial from a gender and equity point of view. While spending on practical gender needs of women and the poorer sections cannot be avoided, they should be helped/ facilitated to give priority and spend on addressing key strategic gender needs which will help bring about long term changes in their lives and gender relations.

5. In conclusion : The gender question ?

What makes the GYT's and DYT's (as prime grassroots institutions) strive to resemble the central bureaucracy in terms of values around gender equality/equity ? Why aren't rural Bhutanese women (50% of the population) taking up the challenge to share and take on responsibility (by occupying key positions) at geog level to become effective change agents for sustained development ? Where are the underlying values rooted in and whose values are they ? Is 'development' per se the source of current gender inequity and inequality ? What are the barriers to women's effective and sustained participation ?

Thus, within the context of democratic decentralization processes in Bhutan, the virtual absence of women in decision-making structures of local governance ie. GYT's and DYT's is the sole challenge. Unlike elsewhere, as a UNICEF study (Uni Waken 1990) declared, the girl child in Bhutan is a 'favored child'. Land rights and inheritance patterns in Bhutan still largely work in 'favor of women' (?). But adult literacy rate for women stand at 24 % against 54 % for men. With rapid socio economic development in the country, enrollments in schools and figures on graduation from high school, secondary school and colleges are showing steady progress. Women are fast taking up non-traditional occupations such as engineers, doctors etc. and taking advantage of the equal opportunities that exist. However, as repeatedly discussed earlier in this document, contrary to practical realities which promote gender equality, in the newly emerging political environment – yet another reality, women are struggling to find a place in keeping with the hitherto gender egalitarian status. In order to revitalize, nurture and integrate the same egalitarian values into the new political development, institutions, practitioners and implementers need to be more aware and sensitive to the issues around gender equality / equity and women's empowerment .

However, when talking about empowering women, the involvement of elected and other men in the process of leadership development, confidence building, political education, awareness raising amongst women will be key. Poor men and poor youth in rural areas need to be targeted as they appear to be equally marginalized in the democratic decentralization process taking place where elite capture seems to pose a big risk here like anywhere else in the world. Hence, as we address the issue of women's exclusion, it seems logical to work within a broader social inclusion frame that is sensitive to a whole range of other social issues in addition to gender issues ie. Poor men, old people, the disabled, youth, single parents etc. Including women more proactively takes care of half the population so even from purely sustainable economic

development and mainstream economists' point of views too, it more than justifies the cause and becomes relevant.

As per CEDAW language, 'temporary special measures' such as 'quotas' and reservations of seats in local governments may be an option to be considered until the numbers and proportions improve. Particularly at the level of Tshogpas which appears to be least wanted post (by men) and yet an important line of communication between community and GYT. Tshogpas in particular need to be strengthened and made more effective. More women are tshogpas than Mangmi or clerk or gup. Meanwhile concerted efforts and investments in leadership training for all those in office (gups, mangmi, chimi, clerks) are absolutely critical to gain and sustain trust and confidence in the elected and serving women by their male colleagues and general public so that they are not seen as 'tokens' but making a difference by becoming a 'stronger voice' for their communities, women and the marginalized groups in particular. .

6. Ways forward : a range of ideas

To address the gender question in decentralization, we have to work on :

- ❖ using the forum of zomdoos to raise awareness, train and educate women and strengthen tshogpas.
- ❖ get women tshogpas to participate effectively, support them so they are not seen and treated as 'tokens' only
- ❖ train them to be well-versed and knowledgeable in development policies, democratic processes, chathrims and roles and responsibilities
- ❖ develop and conduct leadership development programs
- ❖ 'getting women there' into GYT and DYT; increase their numbers
- ❖ mobilize elected men's support and engage them in women's leadership development efforts to be more inclusive.
- ❖ GYT/DYT to institute gender friendly mechanisms/policies
- ❖ conduct relevant research on barriers to women's participation
- ❖ use the media to change perceptions and influence mind-sets
- ❖ try e-governance to increase awareness and participation

- building on 'zomdoos' :

- Invest time and resources in 'zomdoos' where women 'are' in bigger numbers.
- Organise support and incentives for female office holders particularly as Tshogpas; Provide training and build their skills to help them encourage women's active participation and facilitate village meetings 'Zomdoos' better.
- Mobilize women's groups around 'zomdoos' in communities and sensitize them to vote for women candidates.
- Use the 'zomdoos' to educate women on decentralization, devolution and their own roles and responsibilities

- building up women's leadership capacity and networking :

- Develop and implement women's leadership programs and systematic training package with proper follow up and monitoring to give back-up. These training programs for women in local governance should be aimed at equipping women to fulfill responsibilities effectively as Tshogpas, Mangmis, Chimis and even Gups.
- Help facilitate networking / confidence building cum moral support building for women in office through training, study tours and exchange visits in country and outside.

- Help set up and facilitate networking amongst elected women representatives (inter-dzongkhag and intra-dzongkhag) and promote use of ICTs .
- Provide these women holding office with training and information on their duties and powers; skills to identify, plan and implement development programs using ICTs and e-governance options.

- Investing in former Chimis/Mangmis/Gaydrungs/Tshogpas :

- Promote women's leadership by investing in former women Chimis, Mangmis and Tshogpas to train those currently serving term and other potential candidates

- teaming up with elected men :

- Use elected men and include elected men as participants too in women's leadership training programs to be more inclusive.
- Build capacity and gender sensitise / train elected men and male relatives of elected/post holding women; as a strategy to develop women friendly environment.
- Familiarize, train and educate elected men in relevant legal and legislative instruments ie. Chathrim, marriage act, inheritance act, CEDAW, MDGs etc.
- Set up monitoring committees with 50% women in them to supervise DSP schemes; Mobilise women and train them in technical aspects of infrastructure building works so that they can also be formally organized / appointed to monitor and inspect works of contractors.

- make GYT/DYT gender friendly:

- recognition of GYT/DYTs that have increased female members.
- experiment incentives to husbands who take on more domestic responsibilities in order to allow elected woman to perform and fulfill her roles well.
- Innovating packages for elected women to receive some kinds of support for eg. taking a member of her family when on duty travel beyond village to attend GYT and DYT meetings; overnight stay facilities at Gup's office for women members, wash room facility for women and men separately.

- targeting NFE programs and local media :

- Identify potential trainable trainers amongst NFE learners and instructors and build up their knowledge and skills to become Trainers to work with/train mixed groups of women and men during annual planning events of the geog as resource persons along with sector/technical staff of geog/dzongkhag.
- Use NFE forum to conduct regular participatory monitoring of social aspects ie. violation of rights and violence against women and children, divorces, single mothers, single fathers, orphan children, disabled women and men etc...
- Use NFE forum to work on capacity building of women, leadership development through also raise awareness on, impart information and education on different legislative and legal instruments ie. Marriage act, inheritance act, Bhutan penal code, GYT Chathrim, DYT Chathrim, Constitution etc...to strengthen women's knowledge and rights of citizens. Use ICTs as well to expose NFE participants to the technology and its potentials..
- Mobilize media in changing perceptions and overcoming biases

- documentation of experiences :

- Assess experiences and document lessons learned so far to allow more innovations in schemes

- Interrogate changes / research on factors that are negatively influencing gender relations (private-public) and share it with communities so they can recognize, relate to it and counter it together.

<p>6.1. What can DSP do to contribute to gender equality and strengthen outcomes of decentralization policy in line with RGoB and UNDP policy commitments to major conventions ie.CEDAW, Beijing and other regional conventions :</p>
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|---|
| <ul style="list-style-type: none"> ➤ The guidelines for utilization of Block Funds should be revised to mention and incorporate gender concerns and strict obligations to ensure it's not ignored. ➤ The GDF can be used to leverage women's entry into key GYT / DYT positions in the next round, now that Gups are eagerly waiting for the second tranche. ➤ DSP should invest in women's leadership development and gender sensitization of elected men and women. ➤ DSP ought to put more upfront the issue of virtual absence of women in GYT and DYT and strategise to address it. DSP could consider to improve gender balance by building that into the performance criteria and conditions for approval of grants. Awards and recognitions for geogs /GYTs that have maximum female representation could be considered. ➤ Performance and criteria based schemes under DSP which must have clear focus / target and outcomes on marginalized women, female headed households, single mothers /parents and poor men as it's beneficiaries. ➤ Make the conduct of gender analysis of target geogs for GDF mandatory ➤ Support studies / interrogation on the issue of barriers to women's participation.; Conduct studies to properly assess and measure impacts of Block fund schemes on gender relations and women's empowerment ➤ Ensure that information on DSP trickles down to 'zomdoos' and ask for feedback from the forum. ➤ Monitor zomdoos to help raise its profile and vitalize women's participation. ➤ Support NFE programmes, increase/strengthen access to the service and build more complementarity between its curriculum / content and decentralization policy, women's leadership, CEDAW and MDGs etc...using ICTs and e-governance etc.. ➤ Incorporate links between GDF and Cooperatives Act and is Regulatory Framework; support formation of women's groups for local economic development activities.. |
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Annex 6: List of People Met

	<u>UNDP</u>
1.	Ms. Rennata Dessalien, Resident Representative
2.	Mr. Toshihiro Tanaka, Deputy Resident Representative
3.	Ms. Marie Pedersen, Program Officer, UNCDF
4.	Ms. Tshering Yangki, Program Assistant, UNDF
	<u>SNV</u>
5.	Ms. Ros Saad, Team Leader, Local Governance Team
6.	Mr. Kunzang Norbu, Senior Adviser, Cooperatives
7.	Mr. Rob Dingen, Consultant, District Rural Access Program
	<u>JICA</u>
8.	Mr. Sugimoto, Coordinator
9.	Mr. Tomoaki Tsugawa, Project Coordinator, Local Governance & Decntrlsn. Project
10.	Ms. Shuto Megumi, Project Formulation Adviser
11.	Mr. Kesang Dawa, Consultant Engineer
	<u>Department of Local Governance, MoHCA</u>
12.	Dasho (Dr.) Sonam Tenzin, Director General & DSP Project Coordinator
13.	Mr. Karma Penjor, Deputy Director & DSP Project Manager
14.	Ms. Tashi Om, DSP Project Assistant
15.	Ms. Karma Hamu, Head, Capacity Building Unit
16.	Ms. Karma Doma, Head, Land Grants Unit & Project Manager of JICA Dec. Project
17.	Mr. Dago
18.	Mr. Mauritz, M&E Specialist, SNV TA
	<u>Department of Budget & Accounts, Ministry of Finance</u>
19.	Mr. Lham Needup, Officiating Director
20.	Mr. Lekzang Dorji, Chief Budget Officer
21.	Mr. T.N. Sharma, Head, Information Section
	<u>Department of Planning, Ministry of Finance</u>
22.	Mr. Rinzin Dorje, Deputy Director, Focal person for Decentralisation & Poverty
	<u>Royal Institute of Management</u>
23.	Mr. Jit Tshering, Senior Lecturer
	<u>Centre for Bhutan Studies</u>
24.	Mr. Karma Ura, Director
25.	Mr. Karma Galay, Researcher
26.	Mr. Dorji Phuntsho, Researcher
	<u>Zhemgang Dzongkhag</u>
27.	Dasho (Mr.) Sangay Thinley, Dzongda
28.	Mr. Jigme Namgyel, Finance Officer
29.	Mr. Bhattarai, Planning Officer

30.	Mr. Namgang Dorji, District Engineer
31.	Mr. Karchung, Junior Engineer
32.	Mr. Thinley Rinchen, out-going Gup, Trong Geog
33.	Mr. Sangay Dorji, out-going Gup, Ngala Geog
34.	Mr. Jigme Tenzin, out-going Gup, Fankar Geog
35.	Mr. Dorji Nima, out-going Gup, Bardoh Geog
36.	Mr. Tshering Wangchuk, out-going Gup, Bjoka Geog
37.	Mr. Tashi Chorten, out-going Gup, Goshing Geog
38.	Mr. Kinley Wangchuk, out-going Gup, Nangkor Geog
39.	Mr. Sonam, out-going Gup, Shingkar Geog
40.	Mr. Kunzang Tenzin, Tshogpa, Buli village
41.	Mr. Lhang Gyaltsen, Clerk, GYT Nangkor Geog
42.	Mr. Tsundu Gyaltsen, Tshogpa, Buli village
43.	Mr. Lham Tshering, Maangmi, GYT Nangkor Geog
44.	Mr. Nado Rinchen, Tshogpa, Kikhar village
	<u>Trongsa Dzongkhag</u>
45.	Dasho (Mr.) Lhab Dorji, Dzongda
46.	Mr. K.B. Rai, Planning Officer
47.	Mr. Sonam Gyaltsen, Finance Officer
48.	Mr. Suk Bahadur Rai, Junior Engineer
49.	Mr. Ugen, Gup, Langthil Geog
50.	Mr. Namgay, Ex-Tshogpa, Shengling village
51.	Mr. Phuntsho, Gup, Nubi Geog
52.	Mr. Sherub Phuntsho, Junior Engineer
53.	Mr. Tenzin Duba, Gup, Tangsibji Geog
54.	Tshogpa, Tsangkha village
55.	Mr. Kinga Dubjor, Junior Engineer
56.	Mr. Sonam Dorji, Junior Engineer
	<u>Gasa dzongkhag</u>
57.	Mr. N.B. Tamang, Planning Officer
58.	Mr. Lungten Thinley, District Engineer
59.	Mr. Bhim Prasad Neopanay, Assistant Finance Officer
60.	Mr. Pem Dorji, Gup, Khatoe Geog
61.	Mr. Kencho Gyaltsen, Gup, Khamay Geog
62.	Mr. Meghnath Neopanay, Junior Engineer
	<u>Others</u>
63.	Mr. Frank Jensen, Consultant, NIRAS

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Annex 8: Completed Micro-Projects Per Sector Per District/Geog

Decentralisation Support Programme - Bhutan					
Number of micro-projects accomplished per sector, location, year and cost					
Sector	Micro-project	Location	Year	Cost in USD	Remarks
Education services	Construction of community school	Pemagatsel - Zobel	2003-2004	3,489.00	
	Construction of teacher's kitchen	Pemagatsel - Chongshing	2003-2004	2,372.00	
	Construction of teacher's quarters	Pemagatsel - Chongshing	2003 - 2004	6,977.00	
	Construction of head teacher's quarter	Pemagatsel - Chongshing	2004-2005	7,116.00	
	Construction of head teacher's quarter	Pemagatsel - Chongshing	2004-2005	7,116.00	
	Extension of football ground	Pemagatsel-Chimong	2003-2004	4,931.00	
	Fencing of Community school	Pemagatsel-Chimong	2003-2004	698.00	
	Maintenance of School greenroom	Pemagatsel - Yurung	2003-2004	24.00	
	Maintenance of School guesthouse	Pemagatsel - Yurung	2003-2004	210.00	
	Construction of community school	Pemagatsel-Shumar	2003-2004	1,581.00	
	Construction of community school	Pemagatsel-Shumar	2003-2004	1,163.00	
	Construction of teacher's quarters	Pemagatsel-Shumar	2003-2004	1,977.00	
	Construction of teacher's quarters	Pemagatsel-Shumar	2004-2005	8,372.00	
	Renovation of teacher quarter	Pemagatsel-Shumar	2004-2005	2,884.00	

	Construction of footpath in School	Pemagatsel-Khar	2003-2004	1,210.00	
	Construction of teacher's quarters	Pemagatsel-Khar	2003-2004	9,931.00	
	Construction of teacher's quarters	Pemagatsel-Khar	2004-2005	6,977.00	
	Football ground	Pemagatsel-Khar	2004-2005	2,326.00	
	Construction of student's toilet	Pemagatsel-Dungme	2003-2004	442.00	
	Construction of teacher's toilet	Pemagatsel-Dungme	2003-2004	419.00	
	Construction of School's Drainage	Pemagatsel-Dungme	2003-2004	6,489.00	
	Development of primary school infrastructure	Zhemgang-Bardo	2004-2005	18,023.00	
	Reconstruction of primary school		2004-2005		
	Construction of boys & girls hostel	Zhemgang-Bjoka	2004-2005	11,279.00	
	Construction of boys & girls hostel	Zhemgang-Goshing	2004-2005	13,931.00	
	Construction of Playfield	Zhemgang-Shingkar	2004-2005	9,070.00	60% Completed
Health services	Construction/Electrification of ORC	Pemagatsel - Zobel	2003-2004	698.00	
	Construction of ORC	Pemagatsel - Zobel	2003-2004	2,326.00	
	Water supply	Pemagatsel - Zobel	2003-2004	465.00	
	Construction of ORC	Pemagatsel - Zobel	2004-2005	2,791.00	
	Construction of ORC	Pemagatsel - Chongshing	2003-2004	2,163.00	
	Construction of ORC	Pemagatsel - Chongshing	2003-2004	2,070.00	

	RWSS of RNR-EC	Pemagatsel - Yurung	2003-2004	163.00	
	Rehabilitation of Water supply	Pemagatsel - Yurung	2003-2004	2,558.00	
	Construction of BHU pit	Pemagatsel - Yurung	2003-2004	210.00	
	Construction of RWSS	Pemagatsel - Yurung	2003-2004	4,186.00	
	Maintenance of RWSS	Pemagatsel - Yurung	2003-2004	2,465.00	
	Construction of RWSS	Pemagatsel - Yurung	2003-2004	233.00	
	Maintenance of RWSS	Pemagatsel - Yurung	2003-2004	233.00	
	Construction of ORC	Pemagatsel-Khar	2003-2004	2,210.00	
	Construction of ORC/Toilet	Pemagatsel-Dungme	2003-2004	349.00	
	Drinking water supply	Pemagatsel-Dungme	2003-2004	1,512.00	
	Drinking water supply	Pemagatsel-Dungme	2003-2004	1,396.00	
	Water supply	Pemagatsel-Dungme	2003-2004	465.00	
	Construction of ORC/Toilet	Pemagatsel-Dungme	2003-2004	396.00	
	Maintenance of BHU	Pemagatsel-Chimong	2003-2004	302.00	
	Construction of Water Supply	Pemagatsel-Dungme	2003-2004	1,116.00	
Livestock services	Establishment of Diary farm	Trongsa-Dragten	2004-2005	13,954.00	
Agriculture services	Spring protection	Pemagatsel-Yurung	2003-2004	233.00	

Maintenance of reservoir tank	Pemagatsel-Yurung	2003-2004	233.00	
Spring protection	Pemagatsel-Yurung	2003-2004	233.00	
RNR fencing/barbed wire	Pemagatsel-Dungme	2003-2004	582.00	
Construction of RNR staircase	Pemagatsel - Dungme	2003-2004	210.00	
Plant and equipment	Pemagatsel-Dungme	2003-2004	768.00	
River source protection	Pemagatsel-Dungme	2003-2004	489.00	
RNR fencing	Pemagatsel-Dungme	2003-2004	1,140.00	
Renovation of Irrigation Channel	Trongsa-Tangsibji	2004-2005	5,582.00	
Construction of new Irrigation Channel	Trongsa-Langthel	2004-2005	9,210.00	
Renovation of Irrigation Channel	Trongsa-Langthel	2004-2005	6,396.00	
Construction of Irrigation Channel	Zhemgang-Nangkhor	2004-2005	15,442.00	
Development of infrastructure: landslide protection	Zhemgang-Nganglha	2004-2005	14,931.00	
Construction of Irrigation Channel	Zhemgang-Shingkhar	2004-2005	8,256.00	55% Completed
Construction of Irrigation Channel	Lhuntse-Gangzur	2004-2005	13,140.00	
Construction of Irrigation Channel	Lhuntse-Metsho	2004-2005	4,651.00	67% Completed
Construction of Irrigation Channel	Lhuntse-Metsho	2004-2005	4,651.00	53% Completed
Renovation of Irrigation Channel	Lhuntse-Tsengkhar	2004-2005	8,628.00	

Roads and bridges services	Maintainance of mule track	Gasa - khamey	2003-2004	1,047.00	
	Maintainance of mule track	Gasa - Khamey	2003-2004	1,047.00	
	Maintainance of mule track	Gasa - khamey	2003-2004	1,047.00	
	Maintainance of mule track	Gasa - khamey	2003-2004	326.00	
	Maintainance of bridge	Gasa - khamey	2003-2004	233.00	
	Maintenance of bridge	Gasa - Khatoe	2003-2004	582.00	
	Construction of mule track	Gasa - Khatoe	2004-2005	8,210.00	
	Construction of bridge	Gasa-Khatoe	2003-2004	5,489.00	
	Maintenance of mule track	Gasa-Laya	2003-2004	4,884.00	
	Construction of mule track	Gasa-Laya	2003-2004	4,093.00	
	Construction of mule track	Gasa-Laya	2004-2005	15,396.00	
	Maintenance of mule track	Gasa-Lunana	2003-2004	5,326.00	
	Maintenance of mule track	Gasa-Lunana	2004-2005	16,768.00	
	Connstruction of mule track	Pemagatsel-Zobel	2003-2004	4,652.00	
	Maintenance of mule track	Pemagatsel-Zobel	2004-2005	13,954.00	
	Maintenance of mule track	Pemagatsel - Yurung	2003-2004	2,791.00	
	Construction of bridge	Pemagatsel-Yurung	2004-2005	1,047.00	
	Renovation of mule track	Pemagatsel-Yurung	2004-2005	2,326.00	
	Maintenance of road	Pemagatsel-Shumar	2003-2004	6,047.00	

	Approach road	Pemagatsel-Khar	2004-2005	3,977.00	
	Construction of Farm road	Trongsa - Tangsibji	2004-2005	11,047.00	
	Construction of power tiller road	Trongsa - Korphu	2004-2005	16,954.00	
	Construction of Farm road	Trongsa-Nubi	2004-2005	15,698.00	
	Construction of Steel truss bridge	Zhemgang-Trong	2004-2005	8,326.00	54% Completed
	Construction of mule track	Zhemgang-Phangkhar	2004-2005	14,326.00	60% Completed
	Renovation of mule track	Lhuntse-Jaray	2004-2005	5,233.00	45% Completed
	Renovation of mule track	Lhuntse-Khoma	2004-2005	8,605.00	60% Completed
	Construction of suspension bridge	Lhuntse-Kurtoe	2004-2005	11,910.00	80% Completed
	Construction of suspension bridge	Lhuntse-Menbi	2004-2005	13,861.00	
	Construction of Farm road	Lhuntse-Minjay	2004-2005	12,302.00	78% Completed
	Renovation of mule track	Lhuntse-Tshenkhar	2004-2005	8,465.00	
General administration and direction services	Construction of Gup's Office	Gasa - Khamey	2004-2005	12,000.00	71% completed
	Const./Electrification of temp. gup office	Pemagatshel - Zobel	2003-2004	675.00	
	Purchase of Mic set for public functions	Pemagatsel - Yurung	2003-2004	233.00	
	Construction of rest house	Pemagatsel - Yurung	2003-2004	233.00	
	Construction of Gup office	Pemagatsel-Zobel	2003-2004	2,326.00	
	Maintenance of temporary Gup's office	Pemagatsel-Shumar	2003-2004	2,000.00	

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	Transportation charges of Hardware items	Pemagatsel-Dungme	2003-2004	116.00	
	Construction of Public meeting hall	Pemagatsel-Chimong	2003-2004	8,489.00	
	Construction of Gup office	Pemagatsel-Chimong	2004-2005	16,744.00	
	Construction of Gup office	Pemagatsel-Dungme	2004-2005	16,745.00	
Grand total				551,573.00	