Poverty Outcome Evaluation

UNDAF/cCPAP Mid Term Review 2010

Yogesh Tamang
Table of Contents

Acronyms and Glossary .................................................................................................................. 4
Executive Summary ......................................................................................................................... 7
1. Introduction ................................................................................................................................. 16
2. Objective of Evaluation ................................................................................................................ 18
3. Evaluation Methodology ............................................................................................................. 18
4. Situation Analysis ......................................................................................................................... 19
  4.1 Background and situation of targeted communities – interventions, outputs ...................... 21
  4.2 Background and situation on skills development, MSMEs and trade promotion .............. 24
  4.3 Background and situation on results based policy, plan – MDGs, GNH ............................. 26
5. Overall assessment of progress towards UNDAF Outcome ..................................................... 27
6. Overall Assessment of Progress toward CT Outcomes ............................................................ 29
7. Progress against Key Results ..................................................................................................... 29
  7.1 Achievements against CT Outcome 1 .................................................................................... 30
  7.2 Achievements against CT Outcome 2 .................................................................................... 30
  7.3 Achievements against CT Outcome 3 .................................................................................... 31
  7.4 Achievements Against CT Outcome 4 ................................................................................... 33
  7.5 Achievements against CT Outcome 5 .................................................................................... 34
8. Assessment of Effectiveness of Resource Mobilization/ Partnerships in Implementation ....... 35
9. Key Findings ............................................................................................................................... 36
10. Challenges .................................................................................................................................. 38
11. Opportunities ............................................................................................................................. 39
12. Recommendations ...................................................................................................................... 39
13. Lessons Learnt ........................................................................................................................... 40
14. Annexes ...................................................................................................................................... 42
    Annex 1. Synergy and Multi-Agency Collaboration Matrix ...................................................... 42
    Annex 2. Funding Matrix (US $ in millions) ............................................................................. 45
    Annex 3: Terms of Reference ................................................................................................. 46
    Annex 4: Discussion Questionnaire ......................................................................................... 52
    Annex 5: List of documents and literature reviewed .............................................................. 54
## Acronyms and Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dzongkhag</td>
<td>district</td>
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<tr>
<td>Gewog</td>
<td>block</td>
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<tr>
<td>Chiwog</td>
<td>village</td>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>AWP</td>
<td>Annual Work Plan</td>
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<tr>
<td>BDFCL</td>
<td>Bhutan Development Finance Corporation Limited</td>
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<td>BDI</td>
<td>Bhutan Development Index</td>
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<tr>
<td>BIMSTEC</td>
<td>Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation</td>
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<td>BPO</td>
<td>Business Processes Outsourcing</td>
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<tr>
<td>CBS</td>
<td>Center for Bhutan Studies</td>
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<td>CCA</td>
<td>Common Country Assessment</td>
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<td>cCPAP</td>
<td>Common Country Programme Action Plan</td>
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<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination against Women</td>
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<td>CSOs</td>
<td>Civil Society Organizations</td>
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<td>CT</td>
<td>Country Team</td>
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<td>DYT</td>
<td>Dzongkhag Yargay Tshogchung</td>
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<tr>
<td>EDP</td>
<td>Entrepreneurship Development Programme</td>
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<tr>
<td>EIF</td>
<td>Enhanced Integrated Framework</td>
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<tr>
<td>Excom</td>
<td>UNDP, UNICEF, UNFPA and WFP</td>
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<tr>
<td>FACE</td>
<td>Fund Authorization and Certificate of Expenditures report</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FYP</td>
<td>Five Year Plan</td>
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<td>GAO</td>
<td>Gewog Administrative Officer</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEF</td>
<td>Global Environment Facility</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>GNH</td>
<td>Gross National Happiness</td>
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<td>GNHC</td>
<td>Gross National Happiness Commission</td>
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<td>GOI</td>
<td>Government of India</td>
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<td>GYT</td>
<td>Gewog Yargay Thsogchung</td>
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<td>HDR</td>
<td>Human Development Report</td>
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<td>HAB</td>
<td>Handicrafts Association of Bhutan</td>
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<td>HACT</td>
<td>Harmonized Approach to Cash Transfers</td>
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<td>ICDP</td>
<td>Integrated Conservation and Development Programme</td>
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<tr>
<td>ICT</td>
<td>Information &amp; Communication Technology</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IGSP</td>
<td>Income Generating Start-up Programme</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MoAF</td>
<td>Ministry of Agriculture and Forests</td>
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<td>MoEA</td>
<td>Ministry of Economic Affairs</td>
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<td>MoCHA</td>
<td>Ministry of Home and Cultural Affairs</td>
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<td>MoLHR</td>
<td>Ministry of Labour &amp; Human Resources</td>
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<td>MSMEs</td>
<td>Micro, Small and Medium Enterprise</td>
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<td>MTR</td>
<td>Mid Term Review</td>
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<tr>
<td>NEX</td>
<td>National Execution modality</td>
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<td>NFE</td>
<td>Non-formal Education</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>NHDR</td>
<td>National Human Resource Development</td>
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<td>NSB</td>
<td>National Statistical Bureau</td>
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<td>PAR</td>
<td>Poverty Analysis Report</td>
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<td>PHCB</td>
<td>Population and Housing Census of Bhutan</td>
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<td>PlaMS</td>
<td>Planning and Monitoring System</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>PPD</td>
<td>Policy &amp; Planning Division</td>
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<td>RBM</td>
<td>Results Based Management</td>
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<td>RTIO</td>
<td>Regional Trade and Industry Office</td>
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<td>RTM</td>
<td>Round Table Meeting</td>
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<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
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<td>SAFTA</td>
<td>South Asia Free Trade Agreement</td>
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<td>SDS</td>
<td>Sustainable Development Secretariat</td>
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<td>SEZ</td>
<td>Special Economic Zones</td>
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<td>SPR</td>
<td>Standard Progress Report</td>
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<td>TOT</td>
<td>Training of Trainers</td>
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<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
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<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>UNV</td>
<td>United Nations Volunteers</td>
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<td>VAM</td>
<td>Vulnerable Assessment Mapping</td>
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<td>VTI</td>
<td>Vocational Training Institute</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Executive Summary

1. Introduction

The Royal Government of Bhutan is mid-way in the implementation of the 10th FYP (2008-2013). It has placed poverty reduction and the MDG goals as the core development agenda. According to the Poverty Analysis Report 2007, 23.2% of the country’s population is poor and it pre-dominantly a rural phenomenon. High poverty incidence\textsuperscript{1} Dzongkhags are Zhemgang at 52.9%, Samtse 46.8%, Mongar 44.4%, Lhuentse 43.0%, Pemagatshel 26.2% and Trongsa 22.2\%\textsuperscript{2}. The Royal Government has prioritized poverty reduction initiatives in rural communities of Dzongkhags that have higher rates of poverty incidence. Approximately 1.4\% of the RGoB’s total capital outlay in the 10th FYP is allocated for targeted poverty reduction programmes. Poverty is given 25\% weightage, population 70\% and size of Dzongkhag 5\% in resource allocation framework formula of the RGoB during the 10th FYP.

Within the UNDAF/cCPAP cycle (2008-2012), the UNDAF Outcome # 1: “By 2012, opportunities for generation of income and employment increased in targeted poor areas” has a direct linkage to the poverty reduction goal of the 10th FYP. Five specific CT (Country Team) Outcomes contribute to the UNDAF Outcome. The following are the current poverty reduction programmes under UNDAF/cCPAP being implemented which contribute to the CT outcomes:

- i) Promotion of Culture Based Creative Industry for Poverty Reduction
- ii) Labour Market Analysis and Employment Generation Project
- iii) Targeted Poverty Reduction and Local Governance Initiatives
- iv) Formulation of Policy Framework for Private Sector Development
- v) UN Support to Results Based Planning & M&E for MDGs and GNH
- vi) Enhancing Rural Income through Sustainable Agriculture Development and Micro Enterprise in Bhutan
- vii) Food Security through Improved Home Gardens

2. Objective and Scope of Evaluation

Bhutan has reached mid-point in the implementation of the UNDAF/cCPAP (2008-2012). The year 2010 also coincides with the RGoB’s mid-term review of the 10th FYP. Thus, the objective of the Poverty Outcome evaluation is to assess progress towards the expected results of the UNDAF outcome on poverty reduction and to determine constraints, lessons learnt and recommendations for implementation in the remaining years and to the design of the next cycle of UNDAF/cCPAP. The findings from the Report along with the findings from evaluations and self-assessments of the other UNDAF outcomes will feed into the UNDAF/cCPAP MTR as well as to the RGoB’s mid-term review exercise. Particular attention has been paid to issues on sustainability, gender mainstreaming and on the effectiveness of UN “Delivering as One” interventions.

The scope of the evaluation is an in-depth evaluation of the five CT Outcomes with particular focus on:

\textsuperscript{1} Poverty Incidence is defined as the proportion of persons (or households) identified as poor. Source:PAR 2007
\textsuperscript{2} Poverty Analysis Report, 2007, NSB
i) Extent and level of targeted communities accessing information, services and skills development for improved/increased agriculture production, post harvest management and marketing (through operation of self-help farmers groups/cooperatives), resulting in improved food security situation and generation of additional income.

ii) Operational status of micro and small enterprises; and community based business groups/associations established through capacity building, skills development, micro finance/credit facilities, and marketing support (international trade and quality benchmark), resulting in generation of employment opportunities, particularly to unemployed youth and women.

iii) Enabling environment for pro-poor growth and employment generation opportunities created through national and local level capacity building support on policy development; national level surveys on socio-economic indicators; result-based M&E system for MDGs and GNH, and information dissemination related to employment and poverty.

3. Evaluation Methodology

In conducting the study, a combination of diverse methods was used:

i) Desk review and research of relevant documents (details attached as Annex 5),

ii) Briefing meetings with GNHC and Poverty Theme Group Members

iii) Meetings and discussions with key stakeholders (list of people met is in annex 6)

iv) Field observation

v) Interview and focus group discussion with the beneficiaries

vi) Meeting and discussion with field staff

Analysis and drafting of the report was carried out with regular support and guidance from the GNHC and the Poverty Theme Group members.

4. Progress against Key Results

The cCPAP contributes in achieving UNDAF outcome 1 and the respective 5 CT outcomes and 18 outputs as follows:

CT Outcome 1: Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.

Achievements against CT Outcome 1:

Through the Annual Work Plans of 2008, 2009 and 18 months rolling plan of 2010 on “Targeted Community Development and Pro-poor Local Governance Initiatives for Poverty Reduction” in collaboration with Tarayana Foundation and GNHC with implementing partners such as Ministry of Agriculture and Forests, Ministry of Economic Affairs, Bhutan Development Finance Corporation, DYT and GYT, the following progress are mainly contributed by cCPAP programme through the joint work plans.
GNHC is involved in capacity building of local government to plan, implement and monitor development plans. The ongoing IFAD funded Agriculture Marketing and Enterprise and Enterprise Promotion Programme (AMEPP 2005-2011) with the RGoB will contribute to the achievement of this Outcome 1 through output 1.1. However, analysis of this output is beyond the scope of this evaluation.

Besides, training on post harvest management, training on drying processes are planned to be conducted in Rukha community this year.

Farmers have begun using the services of micro-finance services to set up small micro businesses in the communities with micro credit from Tarayana and BDFC.

**Achievements against CT Outcome 2:**

*CT outcome 2: Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.*

Through the project on Food Security through Improved Home Gardens, awareness on the importance of household level food and nutrition security on livelihood improvements created in the remote communities. On the increased use of improved post harvest management facilities, 11 farmer groups have been trained on improved drying and packaging techniques through the National Post Harvest Center. Towards enhancing capacity of relevant agencies and communities to address the environment-poverty nexus, the programme supported implementation of the Bhutan National Human Wildlife Conflict Management Strategy. Self-help groups have been formed in three communities of Taksha, Silli and Tsara under Daga Gewog, Wangdiphodrang to implement integrated approach to community development. Improved maize seeds, vegetable seeds and improved tools were distributed to the farmers and demonstrations, trials were conducted on low cost vegetable production.

**Achievements against CT Outcome 3:**

*CT outcome 3: Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMES.*

Through the Projects 1) UN Support to formulation of enabling policy framework and development of MSMES for employment generation and pro-poor growth, 2) Support to MoLHR for strengthening labour market analysis and employment generation among youth and women and 3) Promotion of culture-based industry for poverty reduction and community vitalization in close collaboration with Ministry of Economic Affairs, Ministry of Labour and Human Resources, Ministry of Home and Cultural Affairs, National Statistical Bureau and Handicrafts Association of Bhutan (HAB) the outputs contributed by the UNDAF/cCPAP programme are mentioned in the following paragraphs.

Towards achieving the CT outcome 3, outputs that have been achieved are frameworks for Private Sector Development and SME Policies, Economic Development Policy, Cultural Industries Sector Development: A Baseline Report 2009, Bhutan Seal of Excellence Programme, Rules and Regulations on Consumer Protection Bill 2007, Industrial Policy, policy framework for private sector development with focus on public private partnership and policy on creation and management of SEZ, completed reviewing and amending the rules and regulations for establishment of industrial and commercial ventures 1995.
Capacities enhanced for non Seal products, product branding and marketing in the West. Capacity of RGoB is further enhanced to participate in international and regional trade negotiations forum, through training on Trade in Services and negotiation skills.

For CT output 3.4, National Human Resource Development Policy has been developed and published, Labour Market Information Bulletin is regularly made available from labour market analysis and online job registration system has been established.

Capacity of Labour Market Information strengthened through training of 2 officers on LMI data administration and project accounting. Under the project – Promotion of Culture based Creative Industry for Poverty Reduction and Community Vitalization, towards achieving CT Output 3.1, administrative office for Handicrafts Association of Bhutan and the resource center have been established. Cultural Industries Sector Development: A Baseline Report 2009 has been published. Study on comparative production cost on hand-woven textile has partially achieved CT output 3.3a.

**Achievements against CT Outcome 4:**

**CT outcome 4: New Micro and SMEs and jobs created with emphasis on women and youth.**

Towards achieving this outcome, the three projects namely i) Promotion of Culture Based Creative Industry for Poverty Reduction and Community Vitalization, ii) Support to MoLHR for Strengthening Labour Market Analysis and Employment Generation especially among youth and women and iii) UN support to formulation of enabling policy framework and development of MSMEs for employment generation and pro-poor growth implemented by MoHCA, MoLHR and MoEA respectively have achieved the outputs as described below.

Formation of Weaving Guild with 4 commercial dyeing units and establishment of yarn bank, culture industry office and execution of crafts festivals and national design competition, institutional capacity to support culture based creative industry has been strengthened. The improved crafts fetched better prices compared to the old products implying higher earning potential for the artisans with new improved products. Through Artisan vocational training programme – garment design and production course is started, developed occupational profile and standards for tailors, capacity of VTI improved with modern tailoring equipment, capacity developed for standardized assessment of weaving skills, strengthened capacity of VTI to conduct specialized training on laying marbles & tiles using of plaster of Paris.

Job/skills training provided to youth, as integral part of rehabilitation programme, have assisted them in finding jobs for themselves.

Vocational training in carpentry for out-of-school youth from rural communities has helped in self-employment and income generation.

**Achievements against CT Outcome 5:**

**CT Outcome 5: Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.**
The IPs for implementation of ‘UN Support to Planning and Monitoring for Poverty Reduction’ project are the National Statistics Bureau (NSB), Gross National Happiness Commission (GNHC) and Center for Bhutan Studies (CBS). Institutional capacity of NSB and GNHC has been further strengthened with the professional development courses in population and development undergone by planners of the central agencies. Data systems support has enhanced utilization of disaggregated data for MDGs and national development planning processes.

National capacity at central and local levels for collection, analysis and production of timely, reliable and disaggregated statistical data is enhanced. Key agencies and departments (NSB, GNHC, PPDs) systematically collect and analyze relevant disaggregated data. National capacity at central and local levels enhanced to implement RBM in planning, monitoring and evaluation system taking into consideration cross-cutting issues such as ICT, environment, gender and governance.

5. **Key Findings**

**Targeted poverty reduction interventions (CT Outcome # 1 & 2)**

i. Capacity of farmers is improved in the targeted villages through comprehensive rural development service packages comprising of skills training, micro credit/finance facilities and access to improved agriculture seed and support to machinery purchase.

ii. There is increased awareness among farmers on the importance of home gardening, organic farming and nutrition. It was reported that at least 5 different types of vegetables are grown and consumed along with other food items, at all times.

iii. Marginal increase in agricultural productivity was stated to have been observed but it is difficult to measure unless some sort of a survey is being conducted.

iv. The indicator set for food security is found very ambitious as it is dependent on many other important socio-economic services, particularly the road access to make an impact in the remote villages.

v. Some complementary programmes within MoAF and other agencies exist but there is no proper collaboration with agencies on Nutrition Programme (MOH, WFP and UNICEF).

vi. There is no mention of needs assessment and absorptive capacity studies for targeted communities as the basis for programme design and planning. Understanding and addressing their basic and priority needs with an integrated development package, is the key to a successful project which will be more sustainable.

vii. Sustainability of achievements in the targeted rural communities is uncertain after the end of the programme support.

viii. One of the challenges faced in implementing poverty reduction initiatives is the location of the target areas – every target village is far-flung and very remote, making regular monitoring difficult. Natural calamities such as landslides and floods compound the problem further.
MSMEs and employment generation (CT Outcomes # 3 & 4)

ix. Business advocacy, entrepreneurship training and equipment support has enabled a number of rural enterprises to be established, generating self employment and income generation. Sustainability of some of the enterprises such as lemon grass, handicraft (including cane and bamboo) are yet to be ascertained due to raw materials availability and price.

x. Sustainability of business is dependent on financial discipline and the savings habits of the promoters. The promoters of MSMEs and IGSPs need constant guidance with regard to their quality of products and assistance in accessing the markets. Experiences and lessons learnt from Micro Capital Grant Scheme (MCGS), under UNDP/SNV supported REDP should be used.

xi. The establishment of Bhutan SEAL has set a quality benchmark for Bhutanese handicraft products, encouraging producers to improve their quality and diversify product range and thereby building their competitive edge for export. There is marked improvement in the products which received quality awards. Sustainability is again a question to maintain quality and a continuous supply-demand chain.

xii. Sustainability of handicraft in maintaining quality and a continuous supply-demand chain is a concern.

xiii. Skills development programme for unemployed youth is carried out effectively. However, due to increasing number of unemployed youths, the absorptive training capacity and their gainful employment will be a continuous challenge.

xiv. Several agencies (MoLHR, MoEA, YDF, Tarayana Foundation, BDCF, etc.) are involved in entrepreneurship and business promotion programme either for rural development or to address youth unemployment. There is lack of coordination among these agencies.

Capacity building for pro-poor policy framework and result-based M&E for MDGs and GNH (CT Outcome 3 & 5)

xv. The number of national level policy documents (EDP, Consumer Protection Bill, NHRD, Culture industry baseline study document, feasibility study for financial services hub) framed under UNCT support forms important planning instruments.

xvi. Technical support provided to key central agencies has enhanced their professional capacity in macro economic analysis, research, monitoring and evaluation of plans and programmes for GNH and the MDGs. But with constant change of staff in the government, capacity building is a challenge.
Effectiveness of Resource Mobilization/ Partnerships in Implementation

xvii. The joint work plan with the Implementing Partners and amongst the collaborating UN agencies created greater coordination and cooperation between the UN agencies on programme planning and resource allocation. However, there is inadequate coordination and communication at the implementation stage in terms of monitoring and reporting.

xviii. Proportion of Resource Allocation by priority, within the cCPAP programme under the five CT Outcomes, is sound as per the analysis and on the basis of national priorities of the 10th FYP.

xix. ‘Delivery as One’ provides an excellent opportunity for effective coordination and use of resources. However, this is still not well understood and lots of confusion exist at the implementation level. Coordination is also observed to be cumbersome.

xx. Poverty Theme Group has the responsibility to provide strategic guidance in programme planning, design and implementation on poverty. However, it has not been adequately effective to its desired levels in fulfilling this responsibility.

xxi. There is no direct partnership between the UN agencies and the bilateral/multilateral donors in the implementation of the programmes. However, bilateral and multilateral donors such as SNV, Helvetas, and Government of India, Liaison Office of Denmark, Government of Austria, Japan International Cooperation Agency, European Union are supplementing the capacity building and skills development through bilateral programmes with the government agencies.

xxii. Capacity of the implementing partners on the use of FACE forms and SPR through the PlaMS as well as in RBM with regard to results reporting, monitoring and evaluation amongst the IPs is still weak.

xxiii. Resource is spread amongst several implementing agencies. A lot of time of implementing agencies is spent in management and M&E of the programmes.

xxiv. Comparative advantages of UN specialized agencies are not fully explored in delivering professional support to programme interventions for full potential programme results.

6. Challenges

a. Poverty is a multi-dimensional and complex subject. Hence it is difficult to evaluate the impact of the segmented programmes spread across several sectors and sub-sectors of the economy.

b. Equitable and balanced growth to bridge poverty gaps among Dzonghags, and within Dzongkhags and Gewogs pose a huge challenge.
c. Creating a vibrant rural economy is a challenge owing to inadequate socio-economic services, geographical locations, population density, land and among others the effect of increasing rural-urban migration trends.

d. Youth unemployment will continue growing and will remain as a challenge for creating jobs.

e. Private sector is considered the engine of growth and an avenue for employment but linkage between poverty reduction initiatives and private sector participation is very limited.

7. **Opportunities**

a. GNH concept and the overarching goal of 10\textsuperscript{th} FYP on poverty reduction, as a political will and support, provide the programme the opportunity to complement and synergize its efforts with the RGoB.

b. Comparative advantage of UN is that as a neutral and respected development partner having global network in terms of resources and expertise can be accessed and used to the advantage of the country.

c. The good working relationship of the UN with the RGoB provides the congenial platform for meaningful and effective partnership for programme implementation.

d. The availability of disaggregated information at geog (block) level provides evidence to embark on targeted approach of reducing poverty in general. The GNH Commission implements a targeted poverty alleviation project through its Rural Economic Advancement Programme (REAP). This provides an opportunity for including the social issues relating to equity at the grass roots level.

8. **Recommendations**

i. Comprehensive needs assessment and absorptive capacity of targeted communities should precede the programme design and planning for meaningful and effective intervention to show desired results.

ii. The ongoing IFAD funded Agriculture Marketing and Enterprise and Enterprise Promotion Programme (AMEPP 2005-2011) with the RGoB contributes to the achievement of Outcome 1 through output 1.1. Closer links should be established to complement targeted poverty reduction initiatives in the remote communities. The lack of road accessibility is highlighted as one of the main factors affecting poverty.

iii. Sustainability issues of the targeted poverty reduction initiatives should be given due attention.
iv. UN should focus its resources on a few select regions or communities for delivering comprehensive services in order for Monitoring & Evaluation to be more cost effective, efficient and for faster outcome results.

v. Skills development for youth population should be based on human resource needs assessment.

vi. A strategic review is necessary in capacity building to ensure long-term sustainability for professional services.

vii. Coordination efforts in implementing UNDAF/cCPAP should be fully committed by all UN agencies irrespective of their organizational size and resources contributed.

viii. Effective government participation is crucial for the ownership and the successful functioning of the Thematic Group.

ix. Capacity building support on project management for project managers should continue.

x. Explore partnerships with other development partners to maximize synergy, effectiveness and efficiency of interventions.

xi. Comparative advantages of each UN specialized agency should be fully explored and utilized effectively in the delivery of programme.

xii. The design and quality of studies, assessments and surveys can be enhanced through capacity building of public/private institutions and local consultancy firms.

xiii. Higher Resource allocation to service sector, especially for employment & income generation, is required in view of the transformation of agrarian economy to services economy and increasing rural-urban migration rate of educated youth.

9. **Lessons Learnt**

   a. Comprehensive needs assessment must precede design of the programme for better sustainability. This is demonstrated by the approach taken by some of the CSOs.

   b. Focused and carefully planned projects can be implemented effectively and managed timely, and benefits will be seen faster.

   c. Combination of vocational/professional skill and knowledge required for an enterprise and the entrepreneurial drive in the promoter or the group of promoters ascertain quicker outcome.

   d. Sustainability of business is dependent on financial discipline and the savings habits of the promoters – lessons for the success of MSMEs and IGSPs
1. Introduction

The Kingdom of Bhutan is one of Asia’s smallest countries, and is land-locked between China and India. The country has a total area of 38,394 km$^2$ and a projected population of 695,823 (for 2010). Administratively, it is made up of twenty Dzongkhags. The Dzongkhag is further broken down into Gewogs (blocks), which are the lowest administrative units for governance and are made up of a block of villages. There are altogether 205 Gewogs in the country.

Bhutan has achieved rapid socio-economic growth with its careful planning within a span of 5 decades. It first began its planned development with the launching of the first 5 FYP in 1961. The country is currently implementing the 10th FYP (2008-2013). Diligent planning processes, rapid expansion of hydropower development and construction sectors, both capital-intensive, over the years have yielded rapid socio-economic over the last few decades. Bhutan’s GDP per capita in 2009 was $4,837 (PPP), and is ranked 131 out of 182 in the Human Development Index (HDI). The rate of real GDP growth peaked in 2007 at 19.7%, and was 5.0% in 2008. Agriculture contributed 18.9% in 2008 to the GDP and was employing 66.6% of the population. Majority of the population depend on agriculture for their livelihood. The Bhutanese people have experienced marked improvements in their lives mainly due to the people-centered development approach guided by the philosophy of Gross National Happiness (GNH).

Rugged landscape scattered and remote locations of villages and communities pose serious challenges for the planners as well as implementers to deliver required services.

The commitment of the government, growth of the economy and the sustained assistance of development partners and donors, over the years, enabled the government to invest in social sector. Bhutan is a signatory to Poverty Reduction Partnership Agreement of the World Summit for Social Development in 1995. By this agreement RGoB is committed itself to attainment of international development goals. Bhutan is fully committed in meeting the MDGs as it subscribes to the UN Millennium Declaration that was ratified by it in 2000. MDGs are mainstreamed in the 10th FYP. Poverty reduction is the overarching MDG goal of the plan. The PAR of 2004 estimated poverty rate as 31.7% and, over the period of 4 years between 2004 and 2007, Bhutan has been able to reduce the poverty rate to 23.2% in 2007.

In 2007, 23.2% (146,100 persons out of the total of 629,700 extrapolated populations) had per capita real consumption below the total poverty line. Food poverty line of Nu.688.96 per person per month was used for measuring subsistence (or extreme) poverty and a total poverty line of Nu. 1096.94 per person per month for measuring absolute poverty. The rate of subsistence (extreme) poverty was estimated at 5.9%. This translates to 3 out of 50 Bhutanese belonged to households that were considered extremely poor where per capita consumption was not even able to meet their food needs. Poverty is exclusively a rural phenomenon in Bhutan. High poverty incidence Dzongkhags are Zhemgang at 52.9%, Samtse 46.8%,

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3 All project population figures cited in this report are from Dzongkhag Population Projections 2006-2015, National Statistics Bureau, June 2008. The projections used data from the Population and Housing Census of Bhutan 2005 as the baseline.

4 Source: Statistical Year Book, 2009

5 Poverty Incidence is defined as the proportion of persons (or households) identified as poor. Poor is defined as households (and their members) consuming (in real terms) less than the total poverty line of Nu. 1,096.94 per person per month.
Mongar 44.4%, Lhuentse 43.0%, Pemagatshel 26.2% and Trongsa 22.2%. Migration and poverty are linked in many ways. Dzongkhags with higher migration rates have higher rates of poverty incidence. As per the Millennium Declaration, 2000 the aim is to reduce poverty incidence rate of 1990 level to 15% by 2015 whereas the RGoB targets to achieve it by 2013.

According to Labour Force Survey Report 2009, 52% of the population was below the age of 24 years and the challenge Bhutan faces today is unemployment amongst youthful population. The national unemployment rate rose from 3.7% in 2007 to 4% in 2009, and youth (15-24) unemployment increased to 12.9% from 9.9% corresponding to the same period. In 2009, male unemployment rate was 8% compared to 14.7% for the female youth according to Labour Force Survey Report 2009.

RGoB poverty reduction initiatives are focused in rural communities of Dzongkhags that have higher rates of poverty incidence. One of the salient features which is being advanced in the 10th FYP is the Targeted Poverty Reduction Program which is founded on a premise that poverty reduction efforts can be better served, accelerated further and complemented with specific and improved targeting. The intention of this approach is to reach the unreach and the poorest of the poor who have, for some reasons, not been able to benefit from the mainstream development implemented in the past years. Approximately 1.4% of the RGoB total capital outlay in the 10th FYP is allocated for the targeted poverty reduction programme. In addition to the support provided under the targeted approach, about 16% of the total capital outlay for the 10th Plan has been allocated to the local governments. The resource allocation between the local governments is based on resource allocation formula which includes population, poverty and size as the determinants. Poverty is given 25% weightage, population 70% and size 5%. This resource allocation method is expected to direct more resources to the poorer and more vulnerable areas and communities in the country.

The following are the current poverty reduction programmes under UNDAF/cCPAP being implemented:

i. Promotion of Culture Based Creative Industry for Poverty Reduction
ii. Labour Market Analysis and Employment Generation Project
iii. Targeted Poverty Reduction and Local Governance Initiatives
iv. Formulation of Policy Framework for Private Sector Development
v. UN Support to Results Based Planning & M&E for MDGs and GNH
vi. Enhancing Rural Income through Sustainable Agriculture Development and Micro Enterprise in Bhutan
vii. Food Security through Improved Home Gardens

The purpose of the outcome evaluation, mid term review, is to determine the progress made towards achieving the UNDAF outcome #1 through the above projects. The expected UNDAF outcome is: By 2012, opportunities for generation of income and employment increased in targeted poor areas. This outcome has a direct linkage to one of the GNH pillars, equitable and sustainable socio-economic development. Findings, recommendations and lessons learnt from this evaluation will be used for

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6 Poverty Analysis Report, 2007, NSB
8 10th FYP, RGoB.
improving management and implementation of the current programme, and also in the preparation of the next programme.

2. **Objective of Evaluation**

The mid term review of the 10\textsuperscript{th} FYP is scheduled to take place in November and is expected to be completed by year end. Outcome evaluation is timed with MTR of 10FYP to provide inputs into the MTR. This study is to assess and evaluate the progress made towards achieving the outcome by taking stock of the situation on the outputs. Terms of Reference is attached as annex 3, and the work plan as Annex 8. The evaluation will follow CT outcomes and they are as follows:

- **CT Outcome 1:** Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.
- **CT outcome 2:** Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.
- **CT outcome 3:** Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMES.
- **CT outcome 4:** New Micro ands SMEs and jobs created with emphasis on women and youth.
- **CT outcome 5:** Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.

3. **Evaluation Methodology**

In order to conduct a comprehensive study, a combination of diverse methods, including desk review and research of relevant documents, meetings and discussions with UNCT, poverty theme group members, implementing partners, UNDP poverty unit, relevant implementers of programmes in the field and field visit were used. A discussion questionnaire was used to guide the discussions. List of discussion questions is attached Annex 4.

Desk Review and Research provided the understanding of the multi pronged approach being used in the form of interventions in addressing the issue of poverty. Review of documents assisted in ascertaining the relevance and effectiveness of the overall programme interventions considering the resources invested given the changing needs of the country with regard to poverty reduction. List of literature/documents is attached as Annex 5. Meeting with Implementing Partners (IPs) helped in obtaining information and data on the programmes, outputs and to enable proper analysis. Meetings and discussions were held with all the implementing partners. The meetings enhanced understanding on the status of each of the programmes thereby enabling evaluation of their outputs towards poverty reduction outcomes and difficulties and challenges faced in implementation. Additionally, these meetings and discussions
provided insights into partnership, resources, management and sustainability issues related to various programmes and their achievements. Schedule of meetings with the IPs is in annex 9.

The study team met with the senior management of Excom Agencies, UNDP, UNICEF, WFP and UNFPA, and also FAO during the course of the assignment and discussed macro issues related to planning, coordination, management and implementation of the programme. Invaluable insights were shared with the study team by them on issues related to coordination, UN Delivering as One (DAO), partnerships, resources, management, communication, planning amongst the UN agencies themselves and with the RGoB. Further, during the meetings, a range of experiences with regard to programme planning, management and implementation were shared by the senior management with the consultant.

Meetings with Poverty Theme Group Members were conducted to understand the processes involved in selection of activities and their prioritization; sustainability issues of the programme interventions and their achievements.

A week long field visit was taken to Wangdue, Trongsa, Bumthang and Mongar Dzongkhags to visit the project sites of MSMEs, IGSPs, schools with WFP feeding programme, RNRRc Bajo and find status of UNICEF funded BhutanInfo at the Dzongkhag level. The visit provided insights into promotion of MSMEs and their potential to create employment and income generation opportunities through the brief interviews with the promoters and implementers in the field. During the visit, the consultant had meeting with BDFC branch office in Mongar where the intervention has provided capacity building to its staff in micro-finance management. Besides, the mission could verify the operational status of the various MSMEs and IGSPs and obtain additional information from the RTIOs (Trongsa and Mongar) on the prospects of MSMEs in the future for employment and income generation in the rural communities.

Discussions with the Dzongkhag Agriculture and Livestock Officers on the implementation and management of programmes, extent and nature of support provided, hopes of Dzongkhag RNR sector for the targeted communities and their experiences proved extremely useful to the mission.

Finally, analysis of field notes, review of additional poverty related literature and drafting of report was carried out with regular support from and in consultation with GNHC, UN Poverty TG Members, EWG, UNDP poverty unit staff, other implementing agencies. List of people met during the discussions and consultations is attached as Annex 6.

4. Situation Analysis

The UNDAF/cCPAP was designed to be implemented from 2008. However, the actual implementation could begin, in most cases, only from 2009 onwards owing to national events such as general elections and the delay in fund release during 2008.

**Outcome Area 1:** Extent and level of targeted communities accessing information, services and skills development for improved/increased agriculture production, post harvest management and marketing (through operation of self-help farmers groups/cooperatives), resulting in improved food security situation and generation of additional income.
This outcome area is a combination of CT outcome 1 and 2.

CT Outcome 1: *Access to socio-economic services, markets and information improved for smallholder\(^9\) and marginal farmers in targeted rural areas.*

CT Outcome 2: *Food security among small holder smallholder farmers and other vulnerable groups in targeted rural areas enhanced.*

The IPs involved for these outcomes are the Ministry of Agriculture and Forests and the Tarayana Foundation. Details of targeted communities by Dzongkhag, No. of beneficiary household with population, outcome and IP are provided in *Annex 7.*

MoAF is involved solely for implementation in Taksha, Silli and Tsara villages under Daga Gewog in Wangdue Dzongkhag, while Tarayana Foundation is in Lawa, Lamgang, Rukha, Migtana and Samthang villages under Athang Gewog of Wangdue, Lamtang under Goshing Gewog in Zhemgang and Chaibi and Pam under Gongdu Gewog in Mongar Dzongkhag. Besides these, MoAF is implementing Food security through improved home garden project components in Mondokha, Pangu, Cholekha, Sektена & Fentena in Chukha Dzongkhag, Sanu Dungtoe in Samtse, Samcholing in Trongsa, Jigmecholing in Sarpang, Goshi in Dagana, Talo in Punakha, Gakiling in Haa and Kangpara in Trashigang. The map below shows the locations and distribution of targeted poverty interventions.

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\(^9\) Smallholder defined as resource poor and low income farmers with less than 5 acres of agricultural land.
4.1 Background and situation of targeted communities – interventions, outputs

4.1.1 Taksha, Silli and Tsara Communities

A total of 56 households with a total population of 370 people comprise the communities of Taksha, Silli and Tsara under Daga Gewog, Wangdue Dzongkhag. The farmers in these villages practice subsistence and traditional system of farming and livestock rearing as a source of livelihood. Food insufficiency owing to low crop yields, small land holdings and low income levels are the current problems they face in their livelihood. RNR RC Bajo has assessed the agricultural production capacity of these villages and has confirmed during the field visit that these communities have huge potential for higher crop productivity owing mainly to soil conditions and improved inputs provided through the RGoB and other interventions. The mission further learnt that the center has been assisting these communities with improved farming technologies to improve food self-sufficiency since 2007. The activities under the cCPAP intervention include activities for improving food security, enhancing income, support to formation of farmers groups to implement group production and marketing. Improved crop management supported by supply of high yield variety seeds have led to increase in production of rice and maize in the communities. The communities now have year round vegetable production that supplement their nutritional intake and help in some income earnings. Self-help groups have been formed among marginalized farmers to increase access to micro finance.

4.1.2 Lawa, Lamgang, Rukha, Migtana and Samthang

Lawa, Lamgang, Rukha, Migtana and Samthang in Athang Gewog comprising of 50 households with a population of 291 (136 females, 155 males) are the beneficiaries of the programme. Athang is considered to be the most remote and least accessible Gewog with a poor communication network, making it difficult to deliver cost effective services efficiently and for all round development to take place. Paddy, maize and wheat are cultivated here. Currently, construction of a power tiller track from Taksha Zam to Lawa is in progress.

Self-help groups/cooperatives (a 3-women Cooperative for Vegetable Farming) are already formed in the communities of Athang for vegetable farming, 3 voluntary committees (one for house construction, one for handicraft production, one for vegetable production) and they are functional. Farmers have begun using the services of micro-finance services provided by Tarayana to set up small micro businesses. Athang farmers have procured a power tiller using the micro finance scheme to transport vegetables to the market. According to Tarayana, access to information on improved agriculture practices, post harvest management of crops through use of silos for storage of food crops, available services and opportunities for skills development have proven to the communities that agriculture would not only sustain them but provide with opportunities for additional income leading to improved and better standards of lives. The interventions have helped in production of variety of vegetables for home consumption adding to their nutritional needs.

Skills development on basic carpentry and masonry for the community members are being carried out through house construction activities. The other skills development areas include cane and bamboo handicraft making and wood carving. Advocacy and awareness campaigns on diverse issues (health, sanitation, HIV/AIDS, reproductive health) have been conducted with assistance from resident health workers.
4.1.3. Pam & Chaibi

A total of 18 households with 270 people comprise Pam and Chaibi. People depend on maize and due to poor soil conditions, lack of adequate farm input supplies and irrigation facility, farm productivity and crop yields are low. As a result, Gongdu remain a food insecure area. The Gewog is highly prone to famine especially during droughts. Maize, wheat, and beans are widely cultivated in the Gewog. Vegetables grown are chilies, cauliflower, radish, turnip, eggplant, spinach and pumpkin.

Tarayana and MoAF are the IPs for implementation of agriculture, livestock and forestry related intervention programmes in the Gewog.

Chaibi and Pam, according to the assessments of the Dzongkhag Agriculture Sector, have huge potential for producing asparagus, legumes and citrus. New vegetables (asparagus) and fruit trees (walnut) have been introduced. One silo bin is provided to be used by two households in the communities. They have started using the silos for storage of their grains.

The only bottleneck the communities have is the lack of road access. It is learnt from the Dzongkhag administration that even with the construction of Nganglam-Gyalpoishing highway, the village would still be 1 day walk from the road head.

Capacity building: It was learnt from the Dzongkhag Agriculture Officers, during the discussions, that capacity of small holder farmers, both men and women, have been built through farmers training on the improved agriculture practices and farmers study tours to areas of farming in the country where better agriculture practices are already in vogue. Demonstration of improved agriculture practices was held in Research Center, Wengkhar for 13 days for the farmers of Chaibi and Pam. The demonstration included application of know-how on cultivation of cereals, vegetables and fruits and use of post harvest management. The farmers participated in the demonstration using improved tools that were given to them to be used in their farms later. Of the targeted 21 households, 18 participated in the demonstration. The demonstration was useful to the participants in gaining the skills and knowledge to use the improved tools.

4.1.4. Lamtang

Lamtang under Goshing Gewog, Zhemgang is one of the innermost and remote communities in the Dzongkhag. It has 44 households with a population of 486, of which 246 are females and 240 males. The community is endowed with rich and fertile soil and has the potential to use the land for diverse agricultural practices. Cane and bamboo handicrafts making is practiced in this community too. The area does not have good irrigation facilities nor is it linked by any road access. Maize is the dominant cereal followed by foxtail and finger millets. The targeted intervention in Lamtang community has been providing access to improved agriculture practices and technologies, access to high-yielding seeds of cereals, vegetables and seedlings of fruits, improved post harvest management, access to micro finance facilities, community day care centers (one each at Lamtang, Digala and Langdurbi, under construction) and improved houses with better sanitation facilities. Under improved post harvest management practices, 10 silo bins for storage of grains have been provided to the farmers. Farmers have started using the silos for the storage and it has helped in preventing grains from rodent damages. The farmers have been trained in the making of compost using organic materials. Farmers have started growing ginger and
garlic now. These crops were not grown in the community before. Tarayana has posted a resident field officer in Lamtang to implement and monitor the activities of the project.

As per the interviews and meetings the mission had with the IPs, select interventions in agriculture sector, especially in remote, poverty stricken and food insecure communities, have started helping in enhancing production of crops, cereals, fruits and vegetables. Interventions in vulnerable and remote communities have begun to improve the livelihoods of people. However, it is difficult to ascertain the degree of increase in food production as of now in the absence of some specific studies.

According to the IPs, select interventions in agriculture sector, especially in remote, poverty stricken and food insecure communities, have started helping in enhancing production of crops, cereals and vegetables. In places like Chaibi, Pam, and communities of Athang, new vegetables (asparagus) and fruit trees (walnut) have been introduced. Asparagus and walnut, however, will not provide immediate income as they take a few years for the asparagus to give abundant shoots and walnut trees to bear fruits. RGoB’s pro-poor development approach of Targeted Poverty Reduction and the concerted assistance from UN system under UNDAF/cCPAP intervention in vulnerable and remote communities have begun to improve the livelihoods of people. Access to information on improved agriculture practices, post harvest management of crops through use of silos for storage of food crops, available services and opportunities for skills development have proven to the communities that agriculture would not only sustain them but provide with opportunities for additional income leading to improved and better standards of lives.

The IPs confirmed that resources allocated for achieving the stated outcome is observed as adequate given the implementation capacity of IPs and the absorptive capacity of the targeted communities.

4.1.5. Other targeted communities

The other targeted communities included under the Food Security through Improved Home Gardens project (Horticulture Division, MoAF) are Mondokha, Pangu, Cholekha, Sektana & Fentena in Chukha Dzongkhag, Sanu Dungtoe in Samtse, Samcholing in Trongsa, Jigmecholing in Sarpang, Goshi in Dagana. Community targeted for skills development in bamboo weaving (GNHC, MoLHR) is Thangdokha in Haa. For income generation through improved post harvest and management practice (Horticulture Division, MoAF) Gakiling in Haa, Talo in Punakha, Kangpara in Trashigang are the beneficiaries.

Outcome Area 2: Operational status of micro and small enterprises; and community based business groups/associations established through capacity building, skills development, micro finance/credit facilities, and marketing support (international trade and quality benchmark), resulting in generation of employment opportunities, particularly to unemployed youth and women.

This outcome indicator area is a combination of CT outcomes 3 and 4.

CT outcome 3: Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMEs.

CT outcome 4: New Micro and SMEs and jobs created with emphasis on women and youth.
4.2 Background and situation on skills development, MSMEs and trade promotion

The implementing partners responsible for this outcome area are the MoEA, (PPD, Department of Industry, Department of Trade, Department of Cottage and Small Industries,) MoLHR, (Department of Employment, Department of Human Resources, and PPD), BDFC at the national level and RTIOs (MoEA), the respective Dzongkhag administrations and the BDFC branches at the regional/local levels. MoEA is involved in marketing support through negotiations, international trade and quality benchmarking. BDFC provides credit facilities to the rural communities through its Group Guarantee Lending Scheme (GGLS). BDFC has mobile banking service to cater to the needs of the rural communities. BDFC staff makes a monthly scheduled visit to rural communities aimed at providing both recovery and deposit services. RTIO, MoEA oversee the implementation of Micro, Small, Medium Enterprises (MSMEs) since it is a member of Dzongkhag Committee. IGSPs are programmes being implemented on a pilot basis.

In order to enhance export of Bhutanese products to the outside world, the UN interventions assisted the relevant trade officials to participate in the regional, SAFTA and BIMSTEC, and international organizations in international trade negotiations by supporting them with travel and other costs.

The assistance also helped in establishing Bhutan Seal of Excellence programme that has set quality benchmark for Bhutanese handicraft products thereby building the product competitiveness and enhancing their export potential. Under this programme one Seal of Excellence award has been given for a handicraft and the other 22 received Seal of Quality awards.

4.2.1 Skills Development:

A 6 month long training in hospitality and tourism management is being undertaken by 70 unemployed youth at the Bhutan International School for Hospitality and Tourism (BISHT). Out of the 6 months training, 2 months are covered by cCPAP funds and the remaining 4 by funds from Government of India. This is a case of implementation partnership between UN and a bilateral donor. The training will end in January 2011. The training is based on the needs assessment and the occupational skill requirements projection of the MoLHR. The trainees, upon completion of the training, will be absorbed by the tourism industry. The other donors and development partners working with the MoLHR in skills development programmes are World Bank for private sector development, ITES-BPO skills development, ADB in rural skills development programme, SDS & GOI in HRD for private sector. Training on tailoring will soon commence in VTI, Chumey.

Under the children and youth participation program, YDF conducted job skills training for unemployed youth on media, photography, and carpentry, trained recovering addicts and established community tailoring cum souvenir outlet at NFE center, Tamshing, Bumthang. 36 NFE learners including 10 school drop-outs were trained in tailoring and embroidery at the center. The activities were funded under HSF and the programme ended in June 2010. The visit to the center during the field visit and meeting the NFE instructor and some of the learners confirmed the usefulness of the training program on tailoring and embroidery. The confidence in the learners to apply the skills they have acquired and the products on display in the center were indications of the usefulness of the training.
Based on the reviews of documents on the activities carried out and outputs in place and the independent judgments of the outputs during the field visit, it has been observed that the programmes will contribute towards achieving the outcomes.

4.2.2 Micro, Small and Medium Enterprises: Operational Status

As of August 2010, 21 new MSMEs were operational. The activities of these MSMEs include incense making (3), lime manufacturing (8), traditional mask making (1), new product development from cane and bamboo (1), automobile workshop (3), dye supply unit (1), furniture making (1), modern Dapa making (1) and mud block making (1). The Departments of Industry, and Cottage and Small Industries, MoEA is responsible for the processes to select the entrepreneurs and the RTIOs are responsible for their implementation and management through the Dzongkhag administrations.

Given the growing number of youth annually, sustainability of financial support to help establish MSMEs is a matter of concern. Such support raises expectations among the youth that they will be helped in establishing their enterprises and businesses without their share of equity in the enterprise. This lack of equity from the promoters is likely to weaken the sense of ownership amongst them and this might lead to failure of such interventions.

With the aim to promote entrepreneurship development amongst the rural people, a number of business advocacy workshops were conducted by the RTIOs in Trongsa, Mongar and Trashigang. However it was difficult to relate direct relation between the participants of the workshops and the promoters of the businesses where there was support provided with equipments and tools.

4.2.3 Income Generation Start-up Support Programme.

The Entrepreneurship Development Programme (EDP) as part of the IGSP, MoLHR, initiated the Income Generation Start-up Support Programme (IGSP) on a pilot basis to provide employment creation opportunities to unemployed youth and women from the target Dzongkhags of Mongar, Zhemgang and Samtse. Enterprise Skills Training was conducted in 2 batches for 34 females and 29 male unemployed youth. The programme is intended for youth who do not have access to mainstream finance and credit services to start enterprises. This strategy is also expected to address the rural-urban migration especially of unemployed youth to some extent by establishing enterprises in the Dzongkhags. Operational Guideline for IGSP has been developed for administrative reference regarding the programme. IGSP committee is in place which is mandated for setting priorities, providing strategic guidance, reviewing progress of IGSP, identifying target Dzongkhags, and addressing issues from Dzongkhag IGSP committees and beneficiaries, supervising, monitoring and reporting on the IGSPs.

IGSP has a target to start 60 businesses, out of which 40 proposals have been selected for the programme. 27 of the 40 IGSPs were in operation as of Aug 2010. The other 13 are in the various stages of establishment as per the information obtained from the Programme Officer, EDP. Some of the activities in the IGSP are souvenir making, tailoring, scrap collecting, paper production, furniture making, photography, poultry, restaurants, IT services, and bakery.
**Outcome Area # 3: Enabling environment for pro-poor growth and employment generation opportunities created through national and local level capacity building support on policy development; national level surveys on socio-economic indicators; results-based management M&E system for MDGs and GNH, and information dissemination related to employment and poverty.**

This outcome area deals with CT Outcome 5 and the CT Outputs from 3 on policy.

**CT Outcome:** Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.

### 4.3 Background and situation on results based policy, plan – MDGs, GNH

The UN assistance being provided to the Ministry of Labour and Human Resources, Gross National Happiness Commission, National Statistical Bureau, Center for Bhutan Studies, Ministry of Economic Affairs and Ministry of Home and Cultural Affairs has enhanced their capacities to develop pro-poor development policies, to create policy advice and enabling environment for employment generation opportunities.

#### 4.3.1 Capacity Building – central level

The outputs that have been achieved are policy framework for Private Sector Development and SME Policies, Economic Development Policy, Cultural Industries Sector Development: A Baseline Report 2009, Bhutan Seal Excellence Programme, Consumer Protection Bill. Additionally, pertaining to human resource development and Labour Market Information, the outputs are National Human Resource Development Plan, and Labour Market Information Bulletin based on labour market analysis.

Economic development policy sets the agenda and the general direction for the development of sectors that have the highest potential for growth, guide and facilitate the development of private SME, diversification of trade and thereby it is expected to help in reduction of poverty. The National Human Resource Development Policy is expected to lead to improved strategic development and human resource management. A job prospecting exercise, which selected major sectors to record job vacancies from 2009-2013, has been complementing the efforts of the government in improving the management of demand and supply of human resources. Labour market analysis provides labour market information to the job seekers as well as to the prospective employers on a regular basis. Baseline Report on Cultural Industries Sector Development provides database is used for planning and developing strategy for poverty reduction and community re-vitalization. Consumer Protection Bill and the Fair Trading practices is a joint programme. Enforcement mechanisms are, presently, being looked into. This bill and the rules and the regulations will help in protecting the rights of the consumers and promote fairness in the trading practices.

Outputs pertaining to GNH and MDGs based national planning are the National M&E Manual, National Statistical Action and Capacity Development Plan, MDG Progress Reports, Results Based Sector and Local Development Planning Manual, Bhutan Development Index (BDI), computer-based Planning and Monitoring Systems (PlaMS). Bhutan Info (NSB) for MDG monitoring is operational. A Statistical Act has been drafted and is ready for submission to the cabinet for improving the institutional capacity of the
NSB. After the Act is endorsed and enacted by the parliament, NSB will have the necessary legal basis as a sole data generator and disseminator in the country.

Capacity development at the central level in macro economic analysis, research and evaluation methodologies and social policies, data collection, statistical analysis and data processing have been conducted to strengthen and enhance capacity of NSB and GNHC. These major capacity development programmes have led to improved quality and professionalism in the data collection and information dissemination related to poverty and MDGs.

RBM related outputs indirectly support poverty reduction strategy. However, translating policies into field level realities to reduce poverty is a different issue altogether.

National level surveys will publish data on socio-economic indicators capturing the effects of the interventions.

4.3.2 Capacity Building – local level

At the local level, several capacity building activities have been carried out. Local leaders and sector heads have been trained in RBM based planning and strategic development planning, Tshogpas in pro-poor participatory planning and prioritization, Gups and Mangmis in RBM; TOT and needs assessment, monitoring and evaluation for Geog Administrative Officers (GAO), Gedrung have been trained in results based management, financial and office management. Imparting of these training at the local level have strengthened capacity of local government leaders to plan, implement and monitor their development progress in pursuit of poverty reduction and MDGs. The impacts of these training programmes are visible in the Gewog and Dzongkhag plans prepared using participatory approach. Helvetas is assisting the GNHC in the capacity building of local governments. This assistance complements the UN efforts in capacity building. Capacity building for the local leaders should continue after every local government elections since majority of the elected local leaders will be new actors in local governance without any knowledge of RBM.

5. Overall assessment of progress towards UNDAF Outcome

Expected UNDAF Outcome # 1: By 2012, opportunities for generation of income and employment increased in targeted poor areas.

Overall, the progress towards achievement of UNDAF outcome to increase opportunities for generation of income and employment in targeted areas is on track. This evaluation confirms that outcome intervention in poverty reduction strategy in concert with the RGoB is in the right direction towards achievement of the Outcome. However, ever increasing number of unemployed youth is a matter of grave concern with regard to skills development and jobs creation.

The targeted areas for interventions were selected based on the poverty incidence rates and in accordance with the concurrence of the GNHC on the basis of findings of the assessment of 10 poorest villages across the country under the Rural Economy Advancement Programme (REAP). Targeted Dzongkhags for interventions under CT outcomes 1 and 2 to address access to socio-economic services, markets and food
The projects, to implement poverty reduction interventions for extremely remote and un-reached communities through improved agricultural productivity and access to service facilities, have used the experience and expertise in rural development programmes of the Ministry of Agriculture and Forests and Tarayana Foundation as key implementers. The project is expected to alleviate poverty through targeted poverty reduction interventions through enhanced agricultural productivity; improved nutrition intake; creation of employment and income generation opportunities through skills development, improved post harvest technologies and infrastructure; and increased access to micro-credit schemes and markets. A total of approximately 733 households with a population of over 1625 benefit from the interventions to address smallholder, marginalized farmers and vulnerable groups in targeted rural areas.

Capacity of RGoB has been strengthened to formulate policies with regard to private sector development vis-à-vis SMEs that will lead to pro-poor growth and employment generation. The institutional capacities of the Ministries of Economic Affairs, and Labour and Human resources have been enhanced through training of relevant officers dealing with trade, negotiations, SMEs, labour market analysis, entrepreneurship development et al. Support to MSMEs have led to establishment of new MSMEs thereby generating opportunities for employment and income for youth and women. IGSP started on a pilot basis have provided opportunities to unemployed youth and women to start enterprises and have gainfully employed them enabling them to use the knowledge and skills they acquired from the various training programmes. Support to Ministry of Home and Cultural Affairs enabled it to explore the creative cultural industry of its potential to reduce poverty through improvements of Bhutanese arts and crafts, and thereby enhancing income of the artisans.

Intervention support to the public sector for enhancing capacity in results based policy, planning and programme development has positioned the key agencies to shoulder their mandates effectively and professionally. However, continued support is required to keep the momentum gained in RBM.

After having evaluated the expected outcomes in terms of their overall mid term progress, relevance, clarity and sustainability, the overall progress on the right track. However, the resources committed by various agencies during the planning and formulation stages of the programme have not been flowing in at the right time during implementation. There is a need to expedite fund flow process in order to progress faster towards achieving the UNDAF outcome.

The overall midterm progress for all outcomes is satisfactory considering the outputs that have been achieved till now against the respective CT outcomes.
6. Overall Assessment of Progress toward CT Outcomes

<table>
<thead>
<tr>
<th>Expected Outcome</th>
<th>Overall midterm progress</th>
<th>Relevance</th>
<th>Clarity</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Food security among smallholder farmers and other vulnerable groups in targeted rural areas enhanced</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Capacity of the RGOb strengthened to formulate policy framework for Private Sector Development to respond to economic constraints and vulnerabilities with focus on employment generation and pro-poor growth</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1.4 New Micro and SMEs and jobs created with emphasis on women and youth</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>1.5 Enhanced capacity of public sector to implement results based policy, plan and programme development especially for MDGs and poverty reduction</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: Ratings 3-2-1; 3 – good progress; 2 – satisfactory progress; 1 further improvements necessary

7. Progress against Key Results

The cCPAP contributes in achieving UNDAF outcome 1 and the respective 5 CT outcomes and 18 outputs as follows:

UNDAF outcome 1: By 2012, opportunities for generation of income and employment increased in targeted poor areas.

CT Outcome 1: Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.

CT Output 1.1: Access improved through rural infrastructure such as farm roads, power tiller tracks, suspension bridges, and mule track in the targeted rural areas.

Smallholder defined as resource poor and low income farmers with less than 5 acres of agricultural land.
CT Output 1.2: Farmers use of improved post harvest management facilities and practices increased.

CT Output 1.3: Access of targeted farmers, both women and men, to rural credit and markets improved.

7.1 Achievements against CT Outcome 1

Through the Annual Work Plans of 2008, 2009 and 18 months rolling plan of 2010 on “Targeted Community Development and Pro-poor Local Governance Initiatives for Poverty Reduction” and “Food Security through Improved Home Gardens” in collaboration with Tarayana Foundation and GNHC with implementing partners such as Ministry of Agriculture and Forests, Ministry of Economic Affairs, Bhutan Development Finance Corporation, the following progress are mainly contributed by cCPAP programme through the joint work plans. A total of 1625 people from 733 households are benefitting from this outcome. Community details are provided in Annex 7.

Tarayana has been implementing activities, in collaboration with Dzongkhag agriculture sector, in the vulnerable communities in providing basic house building skills, supporting all going children to stay in school, making the community more credit worthy, introducing saving schemes, access to rural credit, improving markets for artisans crafts, introducing improved backyard gardening aimed at improving household nutrition and marketing the surplus produce and documenting traditional knowledge and culture to preserve the traditional knowledge base. GNHC is involved in capacity building of local government to plan, implement and monitor development plans in the same five communities. MoLHR and BDFC are catering to the needs of rural women in Samtse and Zhemgang in addressing specific needs of employment and income generating activities.

The ongoing IFAD funded Agriculture Marketing and Enterprise and Enterprise Promotion Programme (AMEPP 2005-2011) with the RGoB will contribute to the achievement of this Outcome 1 through output 1.1. However, analysis of this outcome is beyond the scope of evaluation.

On increasing the use of improved post harvest management and facility, MoAF has distributed silo bins for storage of grains in Chaibi, Pam and Lamthang. Farmers have started using them and they have been helpful in protecting the stored grains from rodents and storing them for a longer time. More farmers will have access to the facility. Besides, training on post harvest management and drying process are planned to be conducted in Rukha community this year.

Farmers have begun using the services of micro-finance services to set up small micro businesses in the communities with micro credit from Tarayana and BDFC. Athang farmers have procured community power tiller using the micro finance scheme to transport vegetables to the market also to be used in the farms.

7.2 Achievements against CT Outcome 2

CT outcome 2: Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.
CT Output 2.1: Agricultural productivity enhanced through improved technology and diversified irrigation systems.

CT Output 2.2: Capacity of relevant agencies and affected communities enhanced to address the environment-poverty nexus.

CT Output 2.3: Capacity of small farmers enhanced through formation of self-help groups and targeted extension services

With the project titled – Food Security through Improved Home Gardens being implemented by the Horticulture Division, Department of Agriculture, it aims to address food insecurity and improve the nutrition intake of people in remote communities among 19 Gewogs of 13 Dzongkhags including Wangdiphodrang, Chukha, Trongsa, Punakha, Trashigang, Sarpang, Mongar, Trashiyangtse, Zhemgang, Dagana, Samdrupjongkhar, Haa and Samtse.

Towards enhancing agricultural productivity hands on training to 588 farming households on organic cultivation has been conducted and home gardens established for them. Awareness on the importance of household level food and nutrition security and livelihood improvements created in the remote communities. On the increased use of improved post harvest management facilities, 11 farmer groups have been trained on improved drying and packaging techniques through the National Post Harvest Center. Improved designs of labels, labeling are being tested for the products. Towards enhancing capacity of relevant agencies and communities to address the environment-poverty nexus, the programme supported implementation of the Bhutan National Human Wildlife Conflict Management Strategy. Solar fencing and Trip Alarm Fencing were set up in Sarpang for mitigating human wildlife conflict. Self-help groups formed in three communities of Taksha, Silli and Tsara under Daga Gewog, Wangdiphodrang to implement integrated approach to community development. These 3 groups are for managing the nursery for walnut propagation, vegetable production and marketing. The specialized extension services are being provided by RNRRC, Bajo to the three communities.

The project benefits 622 households consisting of 257 females and 321 males with cultivation of at least 5 types of vegetables that can be consumed at all times thereby improving the nutrition intake of the people. The surplus produce can be marketed for earning additional income for the farmers. Improved maize seeds, vegetable seeds and improved tools were distributed to the farmers and demonstrations, trials were conducted on low cost vegetable production.

The difficulty in assessing increase of agriculture productivity and the food security situation is a serious issue that needs to be addressed.

7.3 Achievements against CT Outcome 3

CT outcome 3: Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMES.

CT Output 3.1: Capacity of RGoB enhanced to formulate industrial and trade policies that are pro-poor, gender sensitive and cultural and heritage based.
CT Output 3.2: Capacity of public and private sector enhanced to meet international standards for exports

CT Output 3.3a: Access to international markets enhanced through improved negotiation capacity and understanding of global and regional trade agreement and facilities.

CT Output 3.3b: Capacity of relevant government agencies to prepare and enforce a Consumer Protection Act and a Fair Trading and Competition law developed.

CT Output 3.4: Labour Market Analysis strengthened to guide national employment and human resource development policies.

Through the Projects 1) UN Support to formulation of enabling policy framework and development of MSMES for employment generation and pro-poor growth, 2) Support to MoLHR for strengthening labour market analysis and employment generation among youth and women and 3) Promotion of culture-based industry for poverty reduction and community vitalization in close collaboration with Ministry of Economic Affairs, Ministry of Labour and Human Resources, Ministry of Home and Cultural Affairs, National Statistical Bureau and Handicrafts Association of Bhutan (HAB) the following progress are contributed by the UNDAF/cCPAP programme.

Towards achieving the CT outcome 3, for CT outputs 3.1,3.2, 3.3.a,3.3b the outputs achieved so far are frameworks for Private Sector Development and SME Policies, Economic Development Policy, Cultural Industries Sector Development: A Baseline Report 2009, Bhutan Seal of Excellence Programme, Rules and Regulations on Consumer Protection Bill 2007, Industrial Policy, policy framework for private sector development with focus on public private partnership and policy on creation and management of SEZ, completed reviewing and amending the rules and regulations for establishment of industrial and commercial ventures 1995.

Capacities have been enhanced for non Seal products, product branding and marketing in the West, and international trade. Through accession to Enhanced Integrated Framework (EIF), Bhutan has access to technical assistance and additional funds for developing trade related policies. Capacity of RGoB is further enhanced to participate in international and regional negotiations forum, through training on Trade In Services and negotiation skills.

For CT output 3.4, National Human Resource Development Policy has been developed and published, Labour Market Information Bulletin from labour market analysis, and established online job registration system.

Capacity of Labour Market Information strengthened through training of 2 officers on LMI data administration and project accounting. Job prospecting exercise has been completed with major employers recording job vacancies thereby enabling demand – supply matching.

Under the project – Promotion of Culture based Creative Industry for Poverty Reduction and Community Vitalization, towards achieving CT Output 3.1, administrative office for Handicrafts Association of Bhutan and the resource center have been established. Cultural Industries Sector Development: A Baseline Report 2009 has been published. Participation in Smithsonian Folk Life Festival, Execution of Crafts Festivals, textile competition, fashion show, establishment of Bhutan SEAL of Excellence
programme and formation of SEAL Committee have helped in achieving CT output 3.2. Study on comparative production cost on hand-woven textile partially achieved CT output 3.3a. The baseline report illustrates the extent to which cultural industries may contribute to poverty alleviation and community vitalization.

7.4 Achievements Against CT Outcome 4

CT outcome 4: New Micro and SMEs and jobs created with emphasis on women and youth.

CT Output 4.1: Community based MSMEs and cooperatives, particularly those of women and youth, supported through improved access to micro-finance, business development services, marketing, group formation and post harvest management services.

Towards achieving this outcome, the three projects namely i) Promotion of Culture Based Creative Industry for Poverty Reduction and Community Vitalization, ii) Support to MoLHR for Strengthening Labour Market Analysis and Employment Generation especially among youth and women and iii) UN support to formulation of enabling policy framework and development of MSMEs for employment generation and pro-poor growth implemented by MoHCA, MoLHR and MoEA respectively have achieved the outputs as described in the following paragraphs.

With the formation of Weaving Guild with 4 commercial dyeing units and establishment of yarn bank, weavers have easier access to yarns of their choice. Establishment of culture industry office and execution of crafts festivals and national design competition, institutional capacity to support culture based creative industry has been enhanced and thereby creating awareness on the availability of support for the industry. With the enhancement of knowledge on yarn among weavers, they have a better informed choice for yarns for weaving; improving designs and improving weave quality. Thus with enhanced business skills and improved products using frame looms, the return for the sale of their products would be higher.

In order for the new micro and community based SMEs to be established it is important to have skills development course. Thus skills development courses in cane and bamboo crafts were conducted in rural communities of Selumbi, Nagor and Gongdu in Mongar, Kangpara, Wamanang and Thrimshing in Trashigang with recruitment of 3 skilled artisans. This course has helped in the diversification and improvement of cane and bamboo crafts. The improved cane and bamboo crafts exhibited at the Handicrafts Exhibitions from Kheng Bjoka, Kangpara, Nagor and Selumbi fetched better prices compared to the old products implying higher earning potential for the artisans with new improved products. Further, skills development training was conducted in Lauri Gewog, S/jongkhar to introduce use of modern tools and new design of products by recruiting local master craftsman from Zhemgang. Tool kits have been provided to all the participants of the course for enhancing quality of crafts.

For the promotion SMEs, 21 rural micro industries from Trongsa, Zhemgang, Mongar, Gelephu, Trashigang, Thimphu and Sarpang have been provided with tools and equipments to establish SME units. Mechanization of textile industry with supply of equipments for the weaving center at Trongsa has helped in increasing the quantity of weaves and thus the income. As support to the groups and cooperatives, sales counter for lemon grass oil, Serichu, and support to Shazow groups (wooden bowl makers), Trashiyangtse
have been extended for improved marketing. Similar support was received by the Kangpara Handicraft Association for marketing group formation.

After strengthening of Entrepreneurship Promotion Center, MoLHR, TOT on entrepreneurship development and entrepreneurship training were conducted. Establishing and strengthening capacity of Employment Service Centers have helped the job seekers of the regions to obtain information on jobs from the centers without having to travel to Thimphu.

Establishment of IGSP helps in providing technical, financial and material support to the enterprises started by youth and women in the Dzongkhags of Mongar, Zhemgang and Samtse.

Through Artisan vocational training programme – garment design and production course has been started at Chumey. Occupational profile and standards for tailors have been developed, capacity of VTI is improved with modern tailoring equipment. Capacity is developed for standardized assessment of weaving skills. Capacity of VTI is strengthened to conduct specialized training on laying marbles & tiles using plaster of Paris. These outputs have provided the youth and women with skills to start SMEs thereby enabling them to be employed in the job market.

Job/skills training provided, as integral part of rehabilitation programme, for youth have assisted the youth in finding jobs for themselves. Vocational training in carpentry for out of school youth from rural communities has helped them in self-employment and income generation. Skills development in bamboo weaving in Thangdokha, Haa, carpentry and masonry in Sanu Dungtoe, Samtse have helped them to be self-employed earning income from the communities they reside in. The extent to which income earned through application of skills and knowledge acquired from various training programmes need to be separately assessed to ascertain the impacts on their livelihoods.

7.5 Achievements against CT Outcome 5

CT Outcome 5: Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.

Through the joint 18 month rolling work plan on ‘UN Support to Planning and Monitoring for Poverty Reduction’ being implemented by the National Statistics Bureau (NSB), Gross National Happiness Commission (GNHC) and Center for Bhutan Studies (CBS), the following are the progress.

A Statistical Act has been drafted and is ready for submission to the cabinet for improving the institutional capacity of the NSB. NSB will have the necessary legal basis as a sole data generator and disseminator in the country after the Act is endorsed and enacted by the parliament. Various strategic initiatives are already being implemented.

BhutanInfo, the adaptation of UN’s DevInfo technology as a human development monitoring tool, has been launched nationally for data dissemination. To institutionalize it at sub-national level the Dzongkhag template has been developed which will be refined and rolled-out. The effort will be intensified with the training of key officials at national and district level as Trainers and customizing the technology for monitoring national development plans specifically for the upcoming government’s Mid-term Review (MTR) in close collaboration with the GNHC. NSB is also capable to produce socially relevant data
based on statistical analysis. Their engagement and on-the-job attachment with International consultants and experts from World Bank and ADB enhanced their analytical skills. The implementation of the on-going Bhutan Multiple Indicator Survey (BMIS) has also further strengthened their capacity in sampling and questionnaire designing. This has been largely achieved through the trainings at different stages of the survey at regional and also in-country missions.

Institutional capacity of NSB and GNHC has been further strengthened with the professional development courses in population and development undergone by planners of the central agencies. Population Perspective Plan has been prepared and the final draft is presently with GNHC. Preparation of Bhutan Gender Info Base is completed.

The 10th Five-Year Plan is a RBM based plan. Technical support has been provided to GNHC for finalization of the national Planning and Monitoring System (PlaMS). The Standard Progress Report (SPR) has been improved based on the pilot test and is now accepted by the entire UN system as standard progress report from the Government for regular and periodic reviews.

The assessments and in-depth analysis done by the NSB and other relevant partners provide useful input for targeted approaches for the overall UN’s programme of collaboration. The Socio-Economic Demographic Indicators and National and Dzongkhag Population Projections based on the National Housing and Population Census, 2005 in collaboration with the UN systems and the Small Areas Estimation of Poverty in Rural Bhutan based on Bhutan Living Standard Survey (BLSS), 2007 and the PHCB 2005 by NSB with the help of World Bank have provided useful insights on disparities and equity issues.

MDG based monitoring and evaluation system has been integrated into the national M&E system. Data systems support has enhanced utilization of disaggregated data for MDGs and national development. National capacity is enhanced both at central and local levels for collection, analysis and production of timely, reliable and disaggregated statistical data. Key agencies and departments (NSB, GNHC, PPDs) systematically collect and analyze relevant disaggregated data. National capacity at central and local levels is enhanced to implement RBM in planning, monitoring and evaluation system taking into consideration cross-cutting issues such as ICT, environment, gender and governance.

Professional staffs in ministries and agencies at central and local levels are skilled in applying BDI (GNH based), RBM, and macro-economic framework in their planning, M&E and reporting processes.

8. Assessment of Effectiveness of Resource Mobilization/ Partnerships in Implementation

The annual programming under UNDAF was done through Joint Annual Work Plans based on CT Outcomes culminating into 7 joint AWPs among the UN agencies such as UNDP, UNICEF, UNFPA, WFP, UNCTAD, UNFEM, UNESCO, FAO, UNESCAP and UNIFEM. This arrangement has helped in enhancing inter-agency coordination, linkages and sharing of knowledge, experiences and expertise amongst the agencies and thus Delivering As One. This has further helped in improving the quality of
programme outputs. Moreover, working together on projects has helped to develop and improve working relationships amongst the staff of different agencies improving the management and implementation of the programmes and projects effectively.

In resource mobilization, the coordinated approach at the planning stage seemed promising to provide the committed resources, juxtaposed in reality, to a situation of non-availability of the same during implementation. Delay in release of resources is another factor hampering implementation achieving the desired results in time.

In terms of implementation arrangements for the programme, some times proper coordination lacked amongst the IPs resulting in confusion during the implementation. Generally, arrangements for implementation have been adequate.

9. Key Findings

A. Targeted poverty reduction interventions (CT Outcome # 1 & 2)
   i. Capacity of farmers is improved in the targeted villages through comprehensive rural development service packages comprising of skills training, microcredit/finance facilities and access to improved agriculture seed and support to machinery purchase.
   
   ii. There is increased awareness among farmers on the importance of home gardening, organic farming and nutrition. It was reported that at least 5 different types of vegetables are grown and consumed along with other food items, at all times.
   
   iii. Marginal increase in agricultural productivity was stated to have been observed but it is difficult to measure unless some sort of a survey is conducted.
   
   iv. The indicator set for food security is found very ambitious as it is dependent on many other important socio-economic services, particularly the road access to make an impact in the remote villages.
   
   v. Some complementary programmes within MoAF and other agencies exist but there is no proper collaboration with agencies on Nutrition Programme (MOH, WFP and UNICEF).
   
   vi. There is no mention of needs assessment and absorptive capacity studies for targeted communities as the basis for programme design and planning. Understanding and addressing their basic and priority needs with an integrated development package, is the key to a successful project which will be more sustainable.
   
   vii. Sustainability of achievements in the targeted rural communities is uncertain after the end of the programme support.
   
   viii. One of the challenges faced in implementing poverty reduction initiatives is the location of the target areas – every target village is far-flung and very remote, making regular
monitoring difficult. Natural calamities such as landslides and floods compound the problem further.

B. **MSMEs and employment generation (CT Outcomes # 3 & 4)**

ix. Business advocacy, entrepreneurship training and equipment support has enabled a number of rural enterprises to be established, generating self employment and income generation. Sustainability of some of the enterprises such as lemon grass, handicraft (including cane and bamboo) are yet to be ascertained due to raw materials availability and price.

x. Sustainability of business is dependent on financial discipline and the savings habits of the promoters. The promoters of MSMEs and IGSPs need constant guidance with regard to their quality of products and assistance in accessing the markets. Experiences and lessons learnt from Micro Capital Grant Scheme (MCGS), under UNDP/SNV supported REDP should be used.

xi. The establishment of Bhutan SEAL has set a quality benchmark for Bhutanese handicraft products, encouraging producers to improve their quality and diversify product range and thereby building their competitive edge for export. There is marked improvement in the products which received quality awards. Sustainability is again a question to maintain quality and a continuous supply-demand chain.

xii. Sustainability of handicraft in maintaining quality and a continuous supply-demand chain is a concern.

xiii. Skills development programme for unemployed youth is carried out effectively. However, due to increasing number of unemployed youths, the absorptive training capacity and their gainful employment will be a continuous challenge.

xiv. Several agencies (MoLHR, MoEA, YDF, Tarayana Foundation, BDCF, etc.) are involved in entrepreneurship and business promotion programme either for rural development or to address youth unemployment. There is lack of coordination among these agencies.

C. **Capacity building for pro-poor policy framework and result-based M&E for MDGs and GNH (CT Outcome 3 & 5)**

xv. The number of national level policy documents (EDP, Consumer Protection Bill, NHRD, Culture industry baseline study document, feasibility study for financial services hub) framed under UNCT support forms important planning instruments.

xvi. Technical support provided to key central agencies has enhanced their professional capacity in macro economic analysis, research, monitoring and evaluation of plans and programmes for GNH and the MDGs. However, with constant change of staff in the government, capacity building is a challenge.
D. Effectiveness of Resource Mobilization/ Partnerships in Implementation

xvii. The joint work plan with the Implementing Partners and amongst the collaborating UN agencies created greater coordination and cooperation between the UN agencies on programme planning and resource allocation. However, there is inadequate coordination and communication at the implementation stage in terms of monitoring and reporting.

xviii. Proportion of Resource Allocation by priority, within the cCPAP programme under the five CT Outcomes, is sound as per the analysis and on the basis of national priorities of the 10th FYP.

xix. “Delivering as One’ provides an excellent opportunity for effective coordination and use of resources. However, this is still not well understood and lots of confusion exists at the implementation level. Coordination is also observed to be cumbersome.

xx. Poverty Theme Group has the responsibility to provide strategic guidance in programme planning, design and implementation on poverty. However, it has not been adequately effective to its desired levels in fulfilling this responsibility.

xxi. There is no direct partnership between the UN agencies and the bilateral/multilateral donors in the implementation of the programmes. However, bilateral and multilateral donors such as SNV, Helvetas, and Government of India, Liaison Office of Denmark, Government of Austria, Japan International Cooperation Agency, European Union are supplementing the capacity building and skills development through bilateral programmes with the government agencies.

xxii. Capacity of the implementing partners on the use of FACE forms and SPR through the PlaMS as well as in RBM with regard to results reporting, monitoring and evaluation amongst the IPs is still weak.

xxiii. Resource is spread amongst several implementing agencies. A lot of time of implementing agencies is spent in management and M&E of the programmes.

xxiv. Comparative advantages of UN specialized agencies are not fully explored in delivering professional support to programme interventions for full potential programme results.

10. Challenges

a. Poverty is a multi-dimensional and complex subject. Hence it is difficult to evaluate the impact of the segmented programmes spread across several sectors and sub-sectors of the economy.

b. Equitable and balanced growth to bridge poverty gaps among Dzonghags, and within Dzongkhags and Gewogs pose a huge challenge.
c. Creating a vibrant rural economy is a challenge owing to inadequate socio-economic services, geographical locations, population density, land and among others the effect of increasing rural-urban migration trends.

d. Youth unemployment will continue growing and will remain as a challenge for creating jobs.

e. Private sector is considered the engine of growth and an avenue for employment but linkage between poverty reduction initiatives and private sector participation is very limited.

11. **Opportunities**

a) GNH concept and the overarching goal of 10th FYP on poverty reduction, as a political will and support, provide the programme the opportunity to complement and synergize its efforts with the RGoB.

b) Comparative advantage of UN is that as a neutral and respected development partner having global network in terms of resources and expertise can be accessed and used to the advantage of the country.

c) The good working relationship of the UN with the RGoB provides the congenial platform for meaningful and effective partnership for programme implementation.

d) The availability of disaggregated information at geog (block) level provides evidence to embark on targeted approach of reducing poverty in general. The GNH Commission implements a targeted poverty alleviation project through its Rural Economic Advancement Programme (REAP). This provides an opportunity for including the social issues relating to equity at the grass roots level.

12. **Recommendations**

i. Comprehensive needs assessment and absorptive capacity of targeted communities should precede the programme design and planning for meaningful and effective intervention to show desired results.

ii. The ongoing IFAD funded Agriculture Marketing and Enterprise and Enterprise Promotion Programme (AMEPP 2005-2011) with the RGoB contributes to the achievement of Outcome 1 through output 1.1. Closer links should be established to complement targeted poverty reduction initiatives in the remote communities. The lack of road accessibility is highlighted as one of the main factors affecting poverty.
iii. Surveys should be designed and conducted to study and assess increases in agricultural productivity and food security issues in the targeted communities.

iv. Sustainability issues of the targeted poverty reduction initiatives should be given due attention.

v. UN should focus its resources on a few select regions or communities for delivering comprehensive services in order for Monitoring & Evaluation to be more cost effective, efficient and for faster outcome results.

vi. Skills development for youth population should be based on human resource needs assessment.

vii. A strategic review is necessary in capacity building to ensure long-term sustainability for professional services.

viii. Coordination efforts in implementing UNDAF/cCPAP should be fully committed by all UN agencies irrespective of their organizational size and resources contributed.

ix. Effective government participation is crucial for the ownership and the successful functioning of the Thematic Group.

x. Capacity building support on project management for project managers should continue.

xi. Explore partnerships with other development partners to maximize synergy, effectiveness and efficiency of interventions.

xii. Comparative advantages\(^{11}\) of each UN specialized agency should be fully explored and utilized effectively in the delivery of programme.

xiii. The design and quality of studies, assessments and surveys can be enhanced through capacity building of public/private institutions and local consultancy firms.

xiv. Higher Resource allocation to service sector, especially for employment & income generation, is required in view of the transformation of agrarian economy to services economy and increasing rural-urban migration rate of educated youth.

13. Lessons Learnt

a) Comprehensive needs assessment must precede design of the programme for better sustainability. This is demonstrated by the approach taken by some of the CSOs.

\(^{11}\) Comparative Advantage: Each UN agency has a specialized function and expertise which no other UN agency will have. For instance, UNICEF is functionally specialized in water, sanitation and education.
b) Focused and carefully planned projects can be implemented effectively and managed timely, and benefits will be seen faster.

c) Combination of vocational/professional skill and knowledge required for an enterprise and the entrepreneurial drive in the promoter or the group of promoters ascertain quicker outcome.

d) Sustainability of business is dependent on financial discipline and the savings habits of the promoters – lessons for the success of MSMEs and IGSPs
14. Annexes

Annex 1. Synergy and Multi-Agency Collaboration Matrix

<table>
<thead>
<tr>
<th>CT Outcome</th>
<th>CT Outputs</th>
<th>Synergy/Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas</td>
<td>1.1.1: Access improved through rural infrastructure such as farm roads, power tiller tracks, suspension bridges, and mule track in the targeted rural areas</td>
<td>IFAD supports this output. At the programming design level the agencies involved are IFAD, UNDP&amp;FAO. This has facilitated improved coordination in terms of resource allocation and area of support. However, at the working level there is little coordination particularly with road accessibility supported by IFAD with the other socio-economic services. There has been very limited interaction with FAO and hence its expertise on agriculture and food security have not been accessed for this programme.</td>
</tr>
<tr>
<td>1.1.2: Farmers use of improved post harvest management facilities and practices increased</td>
<td>1.1.3: Access of targeted farmers, both women and men, to rural credit and markets improved</td>
<td></td>
</tr>
<tr>
<td>1.2 Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.</td>
<td>1.2.1: Agricultural productivity enhanced through improved technology and diversified irrigation systems.</td>
<td>FAO and UNDP supports this Outcome. Involvement of FAO is limited and under this outcome there is no proper coordinated implementation plan.</td>
</tr>
<tr>
<td>1.2.2: Capacity of relevant agencies and affected communities enhanced to address the environment-poverty nexus</td>
<td>1.2.3: Capacity of small farmers enhanced through formation of self-help groups and targeted extension services</td>
<td></td>
</tr>
<tr>
<td>1.3 Capacity of the RGOB strengthened to formulate policy framework for Private Sector Development to respond to economic constraints and vulnerabilities with focus on employment generation and pro-poor growth.</td>
<td>1.3.1: Capacity of RGOb enhanced to formulate industrial and trade policies that are pro-poor, gender sensitive and cultural and heritage based</td>
<td>This is a multi-agency joint programme to promote trade for poverty reduction. UNDP, UNESCO, UNCTAD, UNESCAP and UNIDO are the agencies involved for this outcome. Due to diverse activities and a large No. of government and UN stakeholders, coordination is time consuming and complex.</td>
</tr>
<tr>
<td>1.3.2: Capacity of public and private sector enhanced to meet international standards for exports</td>
<td>1.3.3 a) Access to international markets enhanced through improved negotiation capacity and understanding of global and regional trade agreement and facilities</td>
<td>This is a complex programme and dealing with multiple issues is a difficult task.</td>
</tr>
<tr>
<td>1.3.3 b) Capacity of relevant government agencies to prepare and enforce a Consumer Protection Act and a Fair Trading and Competition law developed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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12 Smallholder defined as resource poor and low income farmers with less than 5 acres of agricultural land.
### 1.3.4: Labour market analysis strengthened to guide national employment and human resource development policies.

### 1.4 New Micro and SMEs and jobs created with emphasis on women and youth

**1.4.1:** Community based MSMEs and cooperatives, particularly those of women and youth, supported through improved access to microfinance, business development services, marketing, group formation and post harvest management services.

Agencies involved for the outcome are UNDP and UNIDO. It is a Joint programme for MSMEs, culture industry and agro-based industries. But the difference in fund release modalities delays implementation. Has multi-stakeholders in the programme and thus requires effort in coordination.

**1.4.2:** Capacity of relevant institutions enhanced to manage and improve access to micro finance

**1.4.3:** Capacity and skills developed to set up and manage Micro and SMEs through improved access to micro-finance, business development services (BDS), marketing and relevant extension services for production and post-harvest management

**1.4.4:** Micro and SME development policy formulated which is gender sensitive and youth oriented

### 1.5 Enhanced capacity of public sector to implement results based policy, plan and programme development especially for MDGs and poverty reduction.

**1.5.1:** MDGs based M & E system integrated into the national M&E system through operationalisation of MIS such as GPIS, DrukInfo and VAM

a) Data systems support enhanced utilization of disaggregated data for MDGs- and national priorities-based development

UNDP, UNICEF, UNFPA, UNIFEM and WFP are the agencies involved for this outcome. This is yet another joint programme with many stakeholders. Joint AWP is prepared with coordination but joint reporting is a problem. There is poor coordination at the implementation level.

**1.5.2:** National Capacity at central and local levels for collection, analysis and production of timely, reliable and disaggregated statistical data enhanced.

a) Key agencies (NSB, GNHC, PPDs) at central/ local levels systematically collect and analyze relevant disaggregated data
1.5.3: National capacity at central and local levels enhanced to implement RBM in planning, M & E system taking into consideration cross cutting issues such as ICT, Environment, gender & governance

a) Professional staff in ministries/agencies at central/local levels are skilled in applying BDI (GNH based), RBM, and Simple Macro-economic framework in their planning, M&E and reporting processes
## Annex 2. Funding Matrix (US $ in millions)

<table>
<thead>
<tr>
<th>Expected UNDAF Outcome #1: By 2012, opportunities for generation of income and employment increased in targeted areas (MDG 1, 8)</th>
<th>Planned Resource Allocation in US$ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>TOTAL for 3 years</th>
<th>%age allocation by outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Outcomes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CT Outcome 1</strong> Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.</td>
<td></td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>1.35</td>
<td>20.39</td>
</tr>
<tr>
<td><strong>CT Outcome 2</strong> Food security among smallholder farmers and other vulnerable groups in targeted rural areas enhanced.</td>
<td></td>
<td>0.43</td>
<td>0.43</td>
<td>0.43</td>
<td>1.29</td>
<td>19.49</td>
</tr>
<tr>
<td><strong>CT Outcome 3</strong> Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMEs.</td>
<td></td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>1.34</td>
<td>20.24</td>
</tr>
<tr>
<td><strong>CT Outcome 4</strong> New Micro and SMEs and jobs created with emphasis on women and youth</td>
<td></td>
<td>0.54</td>
<td>0.54</td>
<td>0.54</td>
<td>1.62</td>
<td>24.47</td>
</tr>
<tr>
<td><strong>CT Outcome 5</strong> Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.</td>
<td></td>
<td>0.34</td>
<td>0.34</td>
<td>0.34</td>
<td>1.02</td>
<td>15.41</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>2.205</td>
<td>2.205</td>
<td>2.205</td>
<td>6.62</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note: Figures used from CPAP for the analysis of resources*
Annex 3: Terms of Reference

1. Background

Despite Bhutan’s rapid economic growth, as evidenced in the average annual growth rate of 7.5% from 1980-2006 in its GDP, and its transition to a middle income country status, estimated one-fourth of the population in Bhutan is still living in poverty, out of which 98% resides in the rural area. The rural-urban drift in terms of income, employment, provision of services and access, and migration are a growing concern, with persistent pockets of poverty existing all over the country.

1 Poverty Analysis Report 2007
2 Smallholder defined as resource poor and low income farmers with less than 5 acres of agricultural land.

The poverty reduction interventions outlined in the UNDAF and cCPAP focus on policy formulation and capacity development to reduce poverty and foster a more equitable growth. These include the development of policy screening tools to mainstream MDGs and Gross National Happiness into national plans and policies; national Human Resource Development policy framework; IT-based comprehensive national development planning and M&E system; Economic Development Policy, and Consumer Protection and Fair Trading Laws. These policies strive to provide considerations for pro-poor growth through promotion of Cottage and Small Industries (CSI)/Micro, Small & Medium Enterprises (SMSEs) to generate employment, particularly to the unemployed youth and women. Support continues for the smallholder farmers to supplement the Royal Government’s poverty alleviation efforts in a more targeted and comprehensive community development approach through MSMEs, enhancing agricultural production to address food insecurity and generate additional income.

2. Purpose of the Evaluation

The overarching goal of the 10th Five-Year Plan to halve poverty by 2013 is linked to the UNDAF Outcome #1 on Poverty that aims to increase opportunities for generation of income and employment in targeted poor areas by 2012 (MDGs 1 & 8). Five UNCT Outcomes within UNDAF/cCPAP 2008-2010 contribute to the UNDAF Poverty Outcome:

CT Outcome 1: Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.
CT Outcome 2: Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.
CT Outcome3: Capacity of the RGOB strengthened to formulate policy framework for Private Sector Development to respond to economic constraints and vulnerabilities with focus on employment generation and pro-poor growth.
CT Outcome 4: New Micro and SMEs and jobs created with emphasis on women and youth
CT Outcome 5: Enhanced capacity of public sector to implement results based policy, plan and programme development especially for MDGs and poverty reduction.

Bhutan has reached mid-point in the implementation of the UNDAF/cCPAP (2008-2012), and as decided in the CPB in January 2010, a light Mid Term Review (MTR) at this midpoint in the UNDAF implementation cycle as a crucial platform toward the final UNDAF evaluation, scheduled for 2011, is
being carried out. The year 2010 also coincides with the RGoB’s mid-term review of the current 10th Five-Year Plan (2008-2013). Thus, the Poverty Outcome evaluation, along with the other outcome evaluation and self assessments, presents a timely study to feed into the UNDAF/cCPAP MTR as well as to the RGoB’s mid-term review exercise. The result will contribute to the design of the next cycle of UNDAF/cCPAP.

3. Scope and Objectives of the Evaluation

Thus, to ensure complementarities of the Poverty Outcome evaluation to the parallel reviews, outcome evaluations and self-assessments that are taking place, the main objective of the evaluation is:

An in-depth Outcome evaluation of UNDAF Outcome # 1: increase opportunities for generation of income and employment in targeted poor areas by 2012 (MDGs 1 & 8), with focus on the three outcome indicators distilled from the five UNCT Outcomes:

i) Extent and level of targeted communities accessing information, services and skills development for improved/increased agriculture production, post harvest management and marketing (through operation of self-help farmers groups/cooperatives), resulting in improved food security situation and generation of additional income.

ii) Operational status of micro and small enterprises; and community based business groups/associations established through capacity building, skills development, micro finance/credit facilities, and marketing support (international trade and quality benchmark), resulting in generation of employment opportunities, particularly to unemployed youth and women.

iii) Enabling environment for pro-poor growth and employment generation opportunities created through national and local level capacity building support on policy development; national level surveys on socio-economic indicators; result-based M&E system for MDGs and GNH, and information dissemination related to employment and poverty.

The evaluation process will involve the following:

Evaluate the progress towards achievement of the poverty reduction outcomes;
Review the relevance and effectiveness of the overall programme interventions vis-à-vis resources invested, with changing country’s needs in the area of poverty reduction;
Review and assess the programme’s partnership with the government bodies, civil society and private sector, international organizations, and bi-lateral donors in programme implementation;
Review and assess the efficiency of implementation and management arrangements of the Programme;
Review sustainability of the achievements undertaken by the Programme, establishing links to poverty line indicators wherever possible;
Identify gaps/weaknesses in the current Programme design and provide recommendations as to their improvement; up-scaling and replications for successful programmes;
Identify lessons learnt from previous and ongoing interventions in this area;
Identifying possible future interventions of the Programme, including more enhanced cross-sectoral collaborations.
4. Evaluation Questions

Outcome analysis

Has the UNDAF Outcome been achieved, or has progress been made toward its achievement? Are the CT Outcomes relevant and realistic given the issues, underlying causes and participating UN Agencies’ comparative advantages? Is it relevant in the context of national goals and priorities, as well as of internationally agreed goals, commitments, norms and standards (MDGs, CEDAW, CRC)? Focusing on key trends, what main factors have affected the Outcome, positively or negatively? How have these factors limited or facilitated progress toward the Outcome? To what extent are the results sustainable? To what extent, and how, can they be replicated or mainstreamed in national policies, strategies and programmes?

Output analysis

What are the key outputs that have been or that will most likely be produced by the UN agencies to contribute to the outcome? Are the CT outputs relevant to the outcome? What are the quantity, quality and timeliness of outputs? What factors impeded or facilitated the achieving of such outputs? What are the lessons learnt on monitoring and evaluation indicators? Has sufficient progress been made with regard to UNDAF outputs?

Output-outcome link

Whether CT outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects, and soft assistance); What are the key contributions that UN agencies have made/is making to the outcome? With the current planned interventions in partnership with other actors and stakeholders, will UN agencies be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed? Assess UN’s ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, holistic and participatory approach). Has UN been able to respond to changing circumstances and requirements in capacity development? What is the prospect of the sustainability of UN interventions related to the outcome?

Resources, partnerships, and management analysis

How have the UN Delivering as One (DaO) contributed to the Outcome? In particular, did the United Nations Agencies jointly have an effect on the Outcome directly through “soft” assistance (e.g., policy advice, dialogue, advocacy) that may not have translated into clearly identifiable outputs? Is there a sound balance between “upstream” and operational (service delivery) interventions? Have any joint programmes been undertaken by one or more United Nations Agencies and/or partners? To what extent have they contributed to aid effectiveness (reduced costs, etc.)? Are roles and responsibilities well-defined? How are complementarity and synergy assured among different interventions? What have been the key challenges and opportunities? How has the United Nations responded to the changing socio-political contexts in the country (including
GNH, democratization, international integration)?
How effective is coordination in planning and implementation with the Government?
Are the current monitoring, evaluation, internal control and accountability systems adequate to enable the United Nations to demonstrate programme results?
In the view of both the United Nations and its counterparts, are interventions appropriately resourced (i.e., in both quantity and kind of allocations)? Are results satisfactory in view of the efforts deployed and costs incurred? Were there any bottlenecks in implementation?
Did the United Nations Agencies have a partnership strategy to ensure coordination with relevant stakeholders who played a role in achieving Outcomes? How did it affect progress towards Outcomes?
What is the strategy for resource mobilization, and how did it affect progress towards Outcomes?
Are there emerging issues that the United Nations is addressing and not addressing? How does the United Nations decide which emerging issues should be addressed?

5. Methodology

During the outcome evaluation, the evaluators are expected to apply the following approaches for data collection and analysis:

- Desk review of relevant documents
- Discussions with Bhutan UNCT, CO senior management and programme staff
- Discussion with GNHC and relevant government agencies
- Consultation meetings and interviews:
  - UNTGs, UN M&E group, Poverty Unit staff
  - Stakeholders and relevant projects’ staff;
- Field visit;
- In-person interviews and focal group discussion with local authorities and target communities;

6. Expected outputs

The key products expected from this outcome evaluation are comprehensive analytical reports that include:

A. Evaluation Inception Report
B. An Outcome Evaluation Report that highlights the following components:
   - Executive summary;
   - Introduction;
   - Description of the evaluation methodology;
   - Analysis of the situation with regard to outcome, outputs, resources, partnerships, management and working methods;
   - Key findings;
   - Conclusions, recommendations and lessons learnt for future programme implementation.

7. Evaluation team composition and competency requirements

The evaluation team will comprise one main national consultant who will take the overall responsibility of the evaluation, report writing and for the quality and timely submission of the evaluation reports to UNCT/GNHC. The consultant will liaise closely with the International Consultant on UNDAF/cCPAP MTR and the Evaluation Working Group (EWG), which will be constituted with relevant UN staff and RGOb focal points.
Qualification requirements for the national consultant:

- Advanced University degree in economics, business administration or any other social sciences related to rural or socio-economic development;
- At least 3-5 years of professional experience with Government agencies or international organizations in the area of socio-economic development with extensive experience in conducting evaluations;
- Knowledge of result-based management evaluation, UN policies, procedures, as well as participatory monitoring and evaluation methodologies and approaches;
- Demonstrated analytical, communication and report writing skills;
- Teamwork capacity to work with the target group representatives;
- Fluency in written and spoken English.

8. Evaluation Ethics

It is expected that the Consultant will respect the ethical code of conduct of the United Nations Evaluation Group (UNEG):

i) Independence and impartiality of judgment in assessment findings and recommendations.
ii) Disclose any potential conflict of interest, and to deal honestly in resolving any conflict of interest that may arise.
iii) Display honesty and integrity in the evaluation process.
iv) Display professional competency, ensuring accuracy, completeness, reliability, transparency and accountability.
v) Respect and protect the rights and welfare of human subjects and communities in accordance with the United Nations Universal Declaration of Human Rights and other human rights conventions.
vii) Respect people’s right to provide information in confidence and make participants aware of the scope and limits of confidentiality, while ensuring that sensitive information cannot be traced to its source.
vi) Obligation to report omissions and wrongdoing or unethical conduct, they are obliged to report it to the proper oversight authority.

9. Implementation arrangements

GNHC will lead the Poverty Outcome evaluation process. To facilitate the outcome evaluation process, UNCT/GNHC will set up an Evaluation Working Group (EWG) with relevant members from Poverty Theme Group and the government focal points. The EWG will provide both substantive and coordination support to the Consultant to ensure participatory evaluation process and communicating feedback to the report. The Consultant will also work closely with the International Consultant on UNDAF/cCPAP MTR to align the evaluation with other studies under MTR. However, the Consultant will retain its full integrity and flexibility to determine the best approach to collecting and analyzing data for the outcome evaluation, within the framework of the agreed ToR.

10. Timeline and schedule (tentative)

The mission will commence in July 2010. The duration of the assignment is up to 30 working days, including the field visit and writing of the report.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeframe</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk review, Evaluation design, methodology and detailed work plan, and access to relevant reports</td>
<td>Three days</td>
<td>Consultant</td>
</tr>
<tr>
<td>Initial briefing (Inception Report)</td>
<td>One day</td>
<td>Consultant, ITA, EWG, UNCT/GNHC</td>
</tr>
<tr>
<td>Consultations, meetings/ interviews related to the outcome evaluation including relevant partners</td>
<td>Seven days</td>
<td>Consultant, ITA, EWG, UNCT/GNHC</td>
</tr>
<tr>
<td>Field visit, meetings/ interviews related to the outcome evaluation including relevant partners</td>
<td>Ten days</td>
<td>Consultant, UNCT/GNHC</td>
</tr>
<tr>
<td>Preparation of draft evaluation report</td>
<td>Five days</td>
<td>Consultant</td>
</tr>
<tr>
<td>Debriefing with UNCT</td>
<td>One day</td>
<td>Consultant</td>
</tr>
<tr>
<td>Finalization of evaluation report incorporating additions and comments</td>
<td>Two days</td>
<td>Consultant</td>
</tr>
<tr>
<td>Submission of the final evaluation report to UNCT</td>
<td>One day</td>
<td>Consultant</td>
</tr>
</tbody>
</table>
Annex 4: Discussion Questionnaire

POVERTY OUTCOME EVALUATION, 2010
Mid Term Review
UNDAF/cCPAP (2008-2012)

DISCUSSION QUESTIONNAIRE

Outcome analysis

1. Has the UNDAF Outcome been achieved, or has progress been made toward its achievement?
2. Are the CT Outcomes relevant and realistic given the issues, underlying causes and participating UN Agencies’ comparative advantages? Is it relevant in the context of national goals and priorities, as well as of internationally agreed goals, commitments, norms and standards (MDGs, CEDAW, CRC)?
3. Focusing on key trends, what main factors have affected the Outcome, positively or negatively? How have these factors limited or facilitated progress toward the Outcome?
4. To what extent are the results sustainable?
5. To what extent, and how, can they be replicated or mainstreamed in national policies, strategies and programmes?

Output analysis

6. What are the key outputs that have been or that will most likely be produced by the UN agencies to contribute to the outcome?
7. Are the CT outputs relevant to the outcome?
8. What are the quantity, quality and timeliness of outputs? What factors impeded or facilitated the achieving of such outputs?
9. What are the lessons learnt on monitoring and evaluation indicators?
10. Has sufficient progress been made with regard to UNDAF outputs?

Output-outcome link

11. Whether CT outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects, and soft assistance);
12. What are the key contributions that UN agencies have made/is making to the outcome?
13. With the current planned interventions in partnership with other actors and stakeholders, will UN agencies be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed?
14. Assess UN’s ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, holistic and participatory approach). Has UN been able to respond to changing circumstances and requirements in capacity development?
15. What is the prospect of the sustainability of UN interventions related to the outcome?

Resources, partnerships, and management analysis

16. How have the UN Delivering as One (DaO) contributed to the Outcome?
17. In particular, did the United Nations Agencies jointly have an effect on the Outcome directly through “soft” assistance (e.g., policy advice, dialogue, advocacy) that may not have translated into clearly identifiable outputs? Is there a sound balance between “upstream” and operational (service delivery) interventions?

18. Have any joint programmes been undertaken by one or more United Nations Agencies and/or partners? To what extent have they contributed to aid effectiveness (reduced costs, etc.)? Are roles and responsibilities well-defined? How are complementarity and synergy assured among different interventions?

19. What have been the key challenges and opportunities?

20. How has the United Nations responded to the changing socio-political contexts in the country (including GNH, democratization, international integration)?

21. How effective is coordination in planning and implementation with the Government?

22. Are the current monitoring, evaluation, internal control and accountability systems adequate to enable the United Nations to demonstrate programme results?

23. In the view of both the United Nations and its counterparts, are interventions appropriately resourced (i.e., in both quantity and kind of allocations)? Are results satisfactory in view of the efforts deployed and costs incurred? Were there any bottlenecks in implementation?

24. Did the United Nations Agencies have a partnership strategy to ensure coordination with relevant stakeholders who played a role in achieving Outcomes? How did it affect progress towards Outcomes?

25. What is the strategy for resource mobilization, and how did it affect progress towards Outcomes?

26. Are there emerging issues that the United Nations is addressing and not addressing? How does the United Nations decide which emerging issues should be addressed?
Annex 5: List of documents and literature reviewed

1. UNDAF for Bhutan, 2008-2012
2. Bhutan UNDAF/cCPAP, 2008-2012
4. 10th Five year plan document
5. AWPs-2008, 2009, 2010
7. Cooperatives Act, 2001
9. Standard Progress Reports
10. Bhutan MDG Progress Reports
11. Monitoring & Evaluation Book, GNHC
13. Poverty Analysis Report, 2004
15. Quarterly Progress Reports on the Programmes, UNDAF/cCPAP, 2008-2012
16. The End of Poverty: How We Can Make It Happen In Our Lifetime, Jeffrey D. Sachs, 2005
17. BHUTAN Cultural Industries Sector Development, A Baseline Report 2009
Annex 6: People Met

Thimphu:

1. Pema, Program Officer, Tarayana Foundation
2. Wangmo, Program Officer, Tarayana Foundation
3. Dorji Wangdi, Joint Director, Department of Cottage & Small Industries
4. Sonam P. Wangdi, Director, Department of Trade
5. Sangay, Director of Industries
6. Wangchuk Loday, Planning Officer, PPD, MoEA
7. Roma Pradhan, YDF
8. Jamyang Tshomo, Planning Officer, PPD, MoLHR
9. Gep Tshering, Program Officer, MoLHR
10. Tenxin Choden, Program Officer, Dept. of Human Resources, MoLHR
11. Sonam Yarphel, Planning Officer, GNHC
12. Sangay Dorji, Planning Officer, GNHC
13. Yuden Dorji, Sr. Horticulture Officer, MoAF
14. Yeshey Seldon, PPD, MoEA
15. Chhimi Dem, MOAF
16. T. Choephel, Head, PPD, MoAF
17. Kencho Thinley, Planning Officer, MoAF
18. Dorji Tshering, Director General, Dept. of Culture, MoHCA
19. Singye Dorji, Textile Museum
20. Pema Khandu, Dept. of Trade
21. Kuanzang Wangmo, Dept. of Culture, MoHCA
22. Dungkar, Officer-in-Charge, WFP
23. Chado Tenzin, FAO
24. Bakodir Burkonev, Deputy Resident Representative, UNDP
25. Vathinee Jitjaturun, Deputy Representative, UNICEF
26. Kinley Penjor, UNICEF
27. Dechen Chime, UNFPA
28. Dorji Choden, Head, Poverty & MDG Unit, UNDP
29. Jigme Dorji, Poverty Unit, UNDP
30. Fumie Azimurie, Poverty Unit, UNDP
31. Sonam Choetsho, Poverty Unit, UNDP

Bajo:

1. Mahesh Ghimirey, RNRRC, Bajo
2. Aita K. Bhujel, RNRRC, Bajo

Chendebji:

1. Kencho Norbu, Lime Making Factory
Trongsa:

1. Pema Tshering, RTIO, Trongsa
2. Sonam, Weaving Center, Samcholing
3. Sonam Tobgay, Incense factory

Bumthang:

1. Tshering, NFE Instructor, Tamshing
2. 7 NFE learners, NFE Center, Tamshing

Mongar:

1. Aiman Mahat, Regional Director, RTIO
2. Business Promotion Officer, RTIO
3. Tashi Tshomo, Enterpreneur
4. Pelzang Lhamo +2 girls, Souvenir Making Group
5. Tshering Wangmo +2 girls, Tailoring Unit
6. Kuenzang Gyelpo, Tailoring Unit
7. Rinzin Wangmo, Tailoring Unit
8. Pema Jurme, Furniture making unit
9. Kuenzang Wangchuk, Photography unit
10. Yeshi Ngedup, Restaurant
11. Khandu Om, Bakery
12. Yangchen Tshomo, Assistant Branch Manager, BDFCL
13. Jigme Tenzin, Dzongkhag Agriculture Officer
### Annex 7: Beneficiary of Targeted Communities

<table>
<thead>
<tr>
<th>CT Outcome 1 &amp; 2.</th>
<th>Dzongkhag</th>
<th>Targeted rural Communities, Gewogs</th>
<th>IP</th>
<th>Beneficiary – No. of Households &amp; Population</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access to socio-economic services, markets &amp; information.</td>
<td>Wangdue</td>
<td>Taksha, Silli and Tsara in Daga Gewog</td>
<td>RNRRC Bajo</td>
<td>56, 370</td>
<td>Food security &amp; income generation</td>
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<tr>
<td></td>
<td>Wangdue</td>
<td>Lawa, Lamgang, Rukha, Migtana and Samthang in Athang Gewog</td>
<td>Tarayana</td>
<td>50, 291</td>
<td>Food security, shelter, income generation, skills development, capacity building.</td>
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<tr>
<td></td>
<td>Zhemgang</td>
<td>Lamthang in Goshing</td>
<td>Tarayana</td>
<td>43, 486</td>
<td></td>
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<tr>
<td></td>
<td>Mongar</td>
<td>Pam &amp; Chaibi in Gongdu</td>
<td>Tarayana</td>
<td>18, 270</td>
<td>Food security, capacity building</td>
</tr>
<tr>
<td></td>
<td>Chukha</td>
<td>Mondokha, Pangu, Cholekha, Thangdokha in Dungna</td>
<td>MoAF-HD</td>
<td>86, n.a</td>
<td>Food security</td>
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<tr>
<td></td>
<td>Chukha</td>
<td>Sektena, Fentena in Metekha</td>
<td>MoAF-HD</td>
<td>50, 100</td>
<td>Food security</td>
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<td></td>
<td>Samtse</td>
<td>Sanu Dungtoe in Dumtoe Tading</td>
<td>MoAF-HD</td>
<td>70, n.a</td>
<td>Food security</td>
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<td>Trongsa</td>
<td>Samcholing in Drakteng</td>
<td>MoAF-HD</td>
<td>n.a n.a</td>
<td>Food security</td>
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<td>Sarpang</td>
<td>Jigmecholing</td>
<td>MoAF-HD</td>
<td>n.a n.a</td>
<td>Food security</td>
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<tr>
<td></td>
<td>Haa</td>
<td>Gakiling,</td>
<td>MoAF-HD</td>
<td>n.a n.a</td>
<td>Food security</td>
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<td></td>
<td></td>
<td>Thangdokha in Gakiling</td>
<td>MoLHR, GNHC</td>
<td>n.a, n.a</td>
<td>Skills development</td>
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<td></td>
<td>Punakha</td>
<td>Talo, Nobgang</td>
<td>MoAF-HD</td>
<td>n.a, n.a</td>
<td>Income generation – post harvest mgt.</td>
</tr>
<tr>
<td></td>
<td>Trashigang</td>
<td>Kangpara</td>
<td>MoAF-HD</td>
<td>n.a, n.a</td>
<td>Income generation – post harvest mgt.</td>
</tr>
<tr>
<td></td>
<td>Dagana</td>
<td>Goshi</td>
<td>MoAF-HD</td>
<td>30, n.a</td>
<td>Food security</td>
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## Annex 8: Work Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of days/Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk review of poverty program documents, task scheduling</td>
<td>3 days, 16-18 August</td>
</tr>
<tr>
<td>Preparation of work plan &amp; Inception Report</td>
<td>1 day, 19 August</td>
</tr>
<tr>
<td>Presentation of Inception Report</td>
<td>1 day, 20 August</td>
</tr>
<tr>
<td>Scheduling meetings, coordination arrangements</td>
<td>1 day, 21 August</td>
</tr>
<tr>
<td>Meeting with IPs</td>
<td>3 days, 23-25 August</td>
</tr>
<tr>
<td>Meeting with UNDP, UNFPA, UNICEF &amp; WFP, FAO, Poverty Unit Staff</td>
<td>1 day, 26 August</td>
</tr>
<tr>
<td>Field visit</td>
<td>8 days, 27 Aug- 3 Sept</td>
</tr>
<tr>
<td>Compilation, analysis of findings, Draft Report</td>
<td>3 days, 4-7 Sept</td>
</tr>
<tr>
<td>Submit Draft Report</td>
<td>1 day, 8 Sept</td>
</tr>
<tr>
<td>Receive comments &amp; feedback (last date 12 Sept)</td>
<td>3 days, 9-12 Sept</td>
</tr>
<tr>
<td>Debriefing</td>
<td>1 day, 14 Sept</td>
</tr>
<tr>
<td>Incorporate relevant comments and feedback</td>
<td>3 days, 13-15 Sept</td>
</tr>
<tr>
<td>Submit Final Report</td>
<td>1 day, 16 Sept</td>
</tr>
</tbody>
</table>
Annex 9: Schedule of Meetings with IPs

<table>
<thead>
<tr>
<th>Meeting with IPs</th>
<th>Date &amp; Time</th>
<th>Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Development of MSMEs &amp; Employment Generation(MOEA)</td>
<td>9:30-10:30, 23 August</td>
<td>DCSI, DOT, PPD,</td>
</tr>
<tr>
<td>2 Labour market Analysis &amp; Employment generation</td>
<td>11:30-13:00, 24 August</td>
<td>PPD, MOLHR &amp; YDF</td>
</tr>
<tr>
<td>3 Targeted Community Development &amp; Pro-poor Local Govt. Initiative for Poverty Reduction</td>
<td>14:00-15:00, 24 August</td>
<td>LDD, (GNHC)</td>
</tr>
<tr>
<td>4 Planning &amp; Monitoring for Poverty reduction</td>
<td></td>
<td>PPD (GNHC)</td>
</tr>
<tr>
<td>5 Development of Culture Industry</td>
<td>9:30-10:30, 25 August</td>
<td>MOHCA, NSB, HAB</td>
</tr>
<tr>
<td>6 Targeted Community Development &amp; Pro-poor Local Govt. Initiative for Poverty Reduction</td>
<td>11:30-13:00 25 August</td>
<td>MOAF</td>
</tr>
<tr>
<td>7 Food Security through Improved Home Gardens</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Expected UNDAF Outcome # 1: By 2012, opportunities for generation of income and employment increased in targeted poor areas (MDG 1,8)

<table>
<thead>
<tr>
<th>CT Outcome (1)</th>
<th>CT Outputs (2)</th>
<th>Outcome-Output Linkages (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access to socio-economic services, markets and information improved for smallholder and marginal farmers in targeted rural areas.</td>
<td>1.1 Access improved through rural infrastructure such as farm roads, power tiller tracks, suspension bridges, and mule track in the targeted rural areas (note: IFAD fund for farm roads, suspension bridges etc., but IFAD resource amount not reflected in the allocation. Should this portion of output be mentioned here?)</td>
<td>Enable farmers to transport necessities to their communities and have access to markets within a shorter duration for their produce to be sold. This leads to enhanced income for them. Produce of farmers will not be wasted. Better standard of living, Farmers encouraged to growing and producing more.</td>
</tr>
<tr>
<td></td>
<td>1.2 Farmers use of improved post harvest management facilities and practices increased.</td>
<td>Storage facilities for cereals for a longer time keeping them safe from rodents. Drying and storing of some vegetables that can be used during dry months. No. of months of food insecurity can be reduced. Some Surplus vegetables could be dried and sold in the market for cash income.</td>
</tr>
<tr>
<td></td>
<td>1.3 Access of targeted farmers, both women and men, to rural credit and markets improved.</td>
<td>Access to credit enable farmers to start backyard poultry, piggery, nursery that will have surplus produce. Produce can be sold and extra income earned. Income generation opportunities increased. BDFC mobile banking service useful for rural communities.</td>
</tr>
<tr>
<td>2. Food security among small holder farmers and other vulnerable groups in targeted rural areas enhanced.</td>
<td>2.1 Agricultural productivity enhanced through improved technology and diversified irrigation systems.</td>
<td>Reliable irrigation and use of improved agriculture technology leads to enhanced production provided farmers have got the know-how.</td>
</tr>
<tr>
<td><strong>Cost, sustainability of achievements, continuity of such programmes?</strong></td>
<td>2.2 Capacity of relevant agencies and affected communities enhanced to address the environment-poverty nexus.</td>
<td>Addressing human-wildlife conflicts arising out of crop depredation by wild animals. Efficient and effective compensation system for crop damages should be in place. Protecting crops from depredation bi wild animals would save about 17% of the crops, implication on food security, income.</td>
</tr>
<tr>
<td></td>
<td>2.3 Capacity of small farmers enhanced through formation of self-help groups and targeted extension</td>
<td>Focused and continuous poverty reduction interventions on select communities lead to reduced</td>
</tr>
</tbody>
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13 Source: PPD, MoAF
<table>
<thead>
<tr>
<th>3. Capacity of the RGoB strengthened to formulate policy framework for Private Sector Development with focus on employment generation and pro-poor growth through the promotion of MSMEs.</th>
<th>3.1 Capacity of RGoB enhanced to formulate industrial and trade policies that are pro-poor, gender sensitive and cultural and heritage based.</th>
<th>Private Sector Dev, SME policy, Economic Development Policy, Foreign Direct Investment Policy…. Dynamic guiding documents… pro-poor policy.. just registration of enterprise is required to run micro businesses. It is a positive sign. Additional Income and employment can be earned from culture and heritage based industries. Demand-supply mismatch for handicrafts—a challenge to think about? &gt; effect on income.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 Capacity of public and private sector enhanced to meet international standards for exports</td>
<td>Improve quality of products for export.</td>
<td></td>
</tr>
<tr>
<td>3.3a Access to international markets enhanced through improved negotiation capacity and understanding of global and regional trade agreement and facilities. 3.3b. Capacity of relevant government agencies to prepare and enforce a Consumer Protection Act and a Fair Trading and Competition law developed.</td>
<td>Through negotiations, quality branding niche Bhutanese products can be exported. This leads to higher income and more employment opportunities. More conducive trade environment created.</td>
<td></td>
</tr>
<tr>
<td>3.4 Labour Market Analysis strengthened to guide national employment and human resource development policies.</td>
<td>Data and information from labour market analysis will enable comprehensive human resource planning and development at national level thereby creating more employment opportunities.</td>
<td></td>
</tr>
<tr>
<td>4 New Micro and SMEs and jobs created with emphasis on women and youth</td>
<td>4.1 Community based MSMEs and cooperatives, particularly those of women and youth, supported through improved access to micro-finance, business development services, marketing, group formation and post harvest management services.</td>
<td>Micro-finance in the form of grants and loans help the persons, either individual or groups, with entrepreneurial skills to set up MSMEs, which create opportunities for self employment and employment for others leading to enhanced income and thus addressing poverty issues. How is post harvest management services…placed here? Any inter-relations?</td>
</tr>
<tr>
<td>5 Enhanced capacity of public sector to implement results based policy, plan and programme development for MDGs, GNH and other national priorities.</td>
<td>5.2 MDG based monitoring and evaluation system integrated into the national M&amp;E system through operationalisation of MIS such as GPIS, DrukInfo and VAM. 5.1a Data systems support enhanced utilization of disaggregated data for MDGs and national priorities-based development.</td>
<td>No direct linkage to poverty interventions to alleviate it. However, from planning, monitoring and evaluation perspectives, these are relevant to poverty theme.</td>
</tr>
</tbody>
</table>
| 5.3 | National capacity at central and local levels for collection, analysis and production of timely, reliable and disaggregated statistical data enhanced.  
5.2a. Key agencies and departments (NSB, GNHC, PPDs) at central and local levels systematically collect and analyze relevant disaggregated data. | Help in proper planning and programming with focus on the identified region or communities for equitable interventions.  
Disaggregated data should relate more to determining how poverty indicators are behaving. |
| 5.4 | National capacity at central and local levels enhanced to implement RBM in planning, monitoring and evaluation system taking into consideration cross-cutting issues such as ICT, environment, gender and governance.  
5.3a. Professional staff in ministries and agencies at central and local levels are skilled in applying BDI (GNH based), RBM, and macro-economic framework in their planning, M&E and reporting processes. | Skills and knowledge for Comprehensive and results-based planning, monitoring and evaluation lead to more reliable and professional documents. 10th Plan is Results Based plan.  
Development of more data and evidence based planning thus more credible. |