

Capacity Development in the United Nations Development Assistance Framework (UNDAF) in Bhutan

Evaluation report

27 June 2012

Context,
international cooperation



Anne-Marie Schreven

Dil Maya Rai (Bhutan Environs)

Note for the reader

The primary purpose of this evaluation is enhancing understanding of Capacity Development for a more systematic approach of future CD support, rather than presenting a full picture of CD initiatives provided during the current UNDAF cycle.

This evaluation report is based on the objectives and evaluation key questions formulated in the Terms of Reference for the CD Evaluation and the Inception Report, approved on 30 April 2012. Given the magnitude of the assignment, the limited time schedule and the composition of the evaluation team, the report doesn't pretend to give a complete picture of all CD initiatives in all 5 County Team outcome areas. The case studies highlight anecdotal an/or circumstantial evidence within a particular capacity issue rather than offering a strong empirical case from which major CD conclusions can be drawn. The same holds true for the online questionnaire, given the response rate of (only) 28%. The inventory of the CD outputs in annex 6 is based on information that could be traced from the UNDAF documents; it doesn't pretend to be a complete inventory, nor does it cover the entire UNDAF period.

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Acronyms

ACC	Anti Corruption Commission	EFRC	Environment Friendly Road Construction
ADB	Asian Development Bank	EIMS	Environmental Information Management System
AGS	Annual Grant System	EMT	Evaluation Management Team
ARR	Assistant Resident Representative	EOC	Emergency Operation Center
BCCI	Bhutan Chamber of Commerce and Industry	EWS	Early Warning System
BCMD	Bhutan Center for Media and Democracy	FYP	Five Year Plan
BCSR	Bhutan Civil Service Rules	G2C	Government to Citizen
BDFC	Bhutan Development Finance Corporation	GAOs	Gewog Administrative Officers
BRRP	Bhutan Recovery Reconstruction Project	GFP	Gender Focal Point
CA	Capacity Assessment	GNH	Gross National Happiness
CBSS	Community Based Support System	GNHC	Gross National Happiness Commission
cCPaP	Common Country Program Action Plan	HACT	Harmonized Approach to Cash Transfers
CD	Capacity Development	HIV	Human Immunodeficiency Virus
CDG	Capacity Development Grant	HRD	Human Resource Development
CIC	Community Information Center	HWC	Human Wildlife Conflict
CPB	Country Program Board	IGSP	Income Generation Support Program
CPO	Chief Planning Officer	ILCCP	Integrated Livestock Crop Conservation Program
CPO	Chief Program Officer	ILCCP	Integrated Livestock & Crop Conservation Programme
CRM	Complaint Response Mechanism	IMS	Institute of Management Studies
CSHD	Curriculum for School Health Division	IPs	Implementing Partners
CSO	Civil Society Organization	IWRM	Integrated Water Resource Management
CT	Country Team	JICA	Japan International Cooperation Agency
DANIDA	Danish International Development Assistance	JSP	Joint Support Programme
DaO	Delivering as One	LDD	Local Development Division
DCRD	Department of Curriculum Research Development	LDPM	Local Development Planning Manual
DDM	Department of Disaster Management	LG	Local Government
DFPS	Department of Forests and Park Services	LGSP	Local Government Support Program
DGM	Department of Geology and Mines	MDG	Millennium Development Goal
DLG	Decentralized Local Governance	MoAF	Ministry of Agriculture and Forests
DoE	Department of Energy	MoE	Ministry of Education
DoI	Department of Industry	MoEA	Ministry of Economic Affairs
DoL	Department of Livestock	MoF	Ministry of Finance
DoR	Department of Roads	MoH	Ministry of Health
DPA	Department of Public Accounts	MoHCA	Ministry of Home and Cultural Affairs
DRR	Disaster Risk Reduction	MoLHR	Ministry of Labour and Human Resources
ECB	Election Commission of Bhutan	MoWHS	Ministry of Works and Human Settlement
ECCD	Early Childhood Care and Development	MP	Member of Parliament
ECP	Environment Climate Change and Poverty	MTR	Mid Term Review
EDP	Economic Development Policy	MYRB	Multi Year Rolling Budget
		NA	National Assembly

NAPA	National Adaptation Programme of Action	TGs	Theme Groups
NBC	National Biodiversity Center	ToR	Terms of Reference
NC	National Council	TRT	Technical Review Team
NCD	Nature Conservation Division	TT	Technology Transfer
NCWC	National Commission for Women and Children	UNCAC	United Nations Conventions Against Corruption
NEC	National Education Commission	UNCDF	United Nations Capital Development Fund
NEC	National Environment Commission	UNCT	United Nations Country Team
NEPA	National Environment Protection Act	UNDAF	United Nations Development Assistance Framework
NFE	Non Formal Education	UNDP	United Nations Development Program
NGO	Non Governmental Organization	UNEP	United Nations Environment Programme
NHDR	National Human Development Report	UNFCCC	UN Framework for Convention on Climate Change
NPO	National Program Officer	UNFPA	United Nations Population Fund
NSB	National Statistical Bureau	UNICEF	United Nations Education Fund for Children
NSSC	National Soil Service Center	UNIFEM	United Nations Development Fund for Women
OAG	Office of Attorney General	V&A	Vulnerability Assessment
OSS	One Stop Shop	WASH	Water, Sanitation and Hygiene
PEE	Public Expenditure on Environment	WCD	Wildlife Conservation Division
PEM	Public Expenditure Management	WFP	World Food Program
PEMS	Public Expenditure Management System	WMD	Watershed Management Division
PES	Public Environment Services	YDF	Youth Development Fund
PLaMS	Planning and Monitoring System		
PMT	Project Management Team		
PO	Program Officer		
PPD	Policy and Planning Division		
PPP	Public Private Partnership		
PSD	Private Sector Development		
RBM	Results Based Management		
RCSC	Royal Civil Service Commission		
RENEW	Respect Educate Nurture and Empower Women		
RIM	Royal Institute of Management		
RIM	Royal Institute of Management		
ROARs	Results Oriented Annual reports		
RoD	Representative Office of Denmark		
RP	Responsible Party		
RSPN	Royal Society for Protection of Nature		
RUB	Royal University of Bhutan		
SLM	Sustainable Land Management		
SLMP	Sustainable Land Management Programme		
SNC	Second National Communication		
SNV	Netherlands Development Organization		
SPO	Senior Program Officer		
SQCA	Standard Quality Control Agency		
SWM	Solid Waste Management		

Glossary of Terms

Gewog	Block
Dzongkhag	District
Dzongdags	District Administrators (equivalent to governors)
Dzongrabs	Deputy District Administrators
Dungpas	Sub District Officers
Gup	Head of the Block
Mangmis	Deputy Head of the Block
Tshogpa	Representative of People
Dasho	Lord/Lady (Knighted by the King)

Executive Summary

Capacity Development (CD) is core in the Country Team (CT) outcome areas of the United Nations Development Assistance Framework (UNDAF) support in Bhutan; it includes most of the support initiatives for (1) poverty reduction, (2) access and quality health care, (3) quality education, (4) good governance and (5) environmental sustainability and disaster management. At the start of the current UNDAF/cCPAP cycle (2008 – 2013) a CD framework didn't exist and capacity development wasn't looked into systematically. This evaluation looks with a capacity development lens at the current UNDAF support in Bhutan and uses key concepts of the CD framework, recently developed by UNDP. It reviews achievements, gaps and challenges in capacity development and has recommendations for future CD support. The CD evaluation is timely as UNDAF is planning and designing its new support cycle, aligned with Royal Government of Bhutan's (RGoB) 11th Five Year Plan (FYP). As CD is core, it is considered an opportunity for UNDAF to plan CD support more consistently and structured and subsequently monitor and measure it more effectively.

Context

Bhutan's development vision of Gross National Happiness (GNH) is the overarching vision that guides sustainable development in Bhutan. Until recently little attention was paid to mainstreaming the GNH concept in national policies and plans and translating it in actions and behavior. The design for the 11th FYP, using the 4 pillars¹ of GNH to plan, monitor and measure development priorities is a major step forward to address GNH more explicitly and accelerate its implementation across all levels and sectors of society. There is scope for UNDAF to focus its CD support more explicitly on GNH, similar to UNDAFs initiative Educating for GNH.

Positioning

The UN is well placed to collaborate with RGoB to support national priorities that are most strategic and relevant. During the current UNDAF cycle and 10th FYP, both UNDAF and RGoB have progressed in designing frameworks on Capacity Development and developing HRD policies and plans to guide future CD efforts. Assisting RGoB in realizing the National HR Master plan 2013-2020 would be a strategic opportunity for UNDAF and a follow up of the CD support provided to the HRD Policy in 2010.

Planned and unplanned support

UNDAF is being appreciated for its access to new knowledge and know-how and some flexibility should remain for allowing additional CD support of regional and global initiatives offered by its

¹ Sustainable and equitable socio-economic development, Preservation and Promotion of culture, Conservation of Environment and Promotion of Good Governance

knowledge networks. A small percentage of the budget for CD initiatives could be earmarked for this type of support; however the responsibility for coordinating the CD support and allocating the resources could be transferred to RGoB, e.g. the Gross National Happiness Commission (GNHC).

CD Outputs and outcomes

An inventory of CD outputs was compiled whilst reviewing the 5 CT outcome areas of the current UNDAF cycle. At the planning stage of this cycle no specific CD approach was applied as a result of which needs assessments were not consistently undertaken and therefore inputs were not supported by identified needs; some inputs could not be linked to outputs and outputs not to outcomes.

The inventory of CD outputs shows that a substantial part of the UNDAF CD support was allocated for strengthening capacities of national institutions and systems and for putting in place laws and policies to support the transition to parliamentary democracy. For understanding the CD outputs, the 4 core issues of the CD framework (institutional arrangement, leadership, knowledge and accountability) have been used. Most of the CD products and produced services are in knowledge (approx. 80%) followed by institutional arrangement and accountability (19%) and leadership (1%). This is understood within the Bhutanese context of a newly established democracy but also within the short term and training/workshop focus of the UNDAF CD support. As the democratic infrastructure is more or less in place, it is foreseen that the focus of CD in the next UNDAF cycle will shift from law making and policy design to law enforcement, effective implementation and monitoring of policies and consolidation of established structures. For the 11th FYP the focus of CD outputs will probably shift towards leadership and accountability, whilst knowledge for the time will remain an important CD product/produced service. A longer term and more systematic CD perspective will help to balance the CD products and services provided by UNDAF.

A systematic and structured CD approach

An important recommendation of this CD evaluation is a more systematic and structured planning of Capacity Development in the next UNDAF cycle, for which the key concepts of the (UNDP) CD framework can be used. It offers a structure, both in terms of (project cycle) steps and content, and starts with a multi-stakeholder needs assessment, identifying:

1. the anticipated outcomes of CD support (in terms of performance, stability and adaptability).
2. the entry levels where support is needed (individual, organizational and enabling environment)
3. the types of capacities needed (functional or technical)
4. the outputs where CD products/produced services will show results (institutional arrangement, leadership, accountability, knowledge)

A capacity needs assessment right at the start will help to align the planning, monitoring and evaluation processes, which will lead to more consistency in the corresponding documents of common Country Program Action Plan (cCPAP), the Annual Work Plans (AWPs) of the 5 CT outcome areas

and the Monitoring & Evaluation (M&E) framework. Now that a CD framework for more effective CD support exists, it is advised to invest in strengthening capacities of UN staff and stakeholders of UNDAF Bhutan to apply the CD framework during the upcoming UNDAF planning process and for monitoring and review purposes.

Coherent CD support

The findings from the CD evaluation in the 5 CT outcome areas show rather diverse CD initiatives of different types and levels, variety in duration and volume of budget. For coherent CD support UNDAF could focus more strategically on emerging issues (or National Key Result Areas²), in which it has maximum impact vis à vis the combined competencies and mandates of the participating UN agencies (e.g. women, youth, civil society development). A more strategic focus on CD needs will enable UNDAF to build critical mass of change agents for maximum results. Already existing experience of environment-poverty mainstreaming and gender mainstreaming can inspire future CD support that is more coherent.

Synergy between CD and HRD

According to the CD documents, CD support intends to strengthen capacities at organizational and institutional levels, but in practice it remains at individual level as staff turnover is often mentioned a hindrance to effective CD support. With RGoB having HR policies and plans in place, it becomes a realistic and strategic option to link Capacity Development with Human Resources Development. CD takes place in the use, management and retention of what is learned in trainings, workshops, exposure visits, training-of-trainers, seminars and conferences, etc. When making the connection between CD and HRD, CD support will be linked to job descriptions, coaching and mentoring, supportive supervision and performance management, thus assuring that personnel development (Human Resources Development (HRD)) is translated in organizational and institutional development.

Multi-stakeholders and issue based CD support

Moving beyond a single implementing partner (IP) focus and adopting a multi-stakeholder and issue based approach is the way forward for CD support. The current UNDAF support, amongst other initiatives, has strengthened inter-ministerial and cross-sectoral collaborations between government agencies and non-governmental actors and fits within the UNDAF/RGoB collaboration on results based management (RBM). UNDAF is well positioned to initiate and engage further donor coordination for joint programmes with other development partners, like the Local Governance Support Programme (LGSP) and the Joint Support Programme (JSP)). Within the UN agencies, a

² NKRA's as defined in the Guidelines for Preparation of the 11th FYP (2013 – 2018) March 2012

multi-stakeholder and issues based approach will facilitate not only joint planning (AWPs) but also joint implementation.

Local capacity providers

Last but not least, CD support will be sustainable when CD initiatives such as trainings and training-of-trainers undertaken by civil servants of specific departments will be outsourced to local capacity providers, whilst their capacities in technical expertise areas as well as pedagogic skills will be built as well. It is advised to research how best these capacities can be strengthened and have a strategy for involvement of local capacity providers in CD support offered by UNDAF. A first step could be to conduct a mapping of existing capacity providers and actively involve them in the planning process of the next UNDAF cycle.

Chapter 1. Introduction

The Royal Government of Bhutan (RGoB) and the UN agencies operating in Bhutan³ signed the United Nations Development Assistance Framework (UNDAF 2008-2012) and the UNDAF operational tool, the common Country Programme Action Plan (cCPAP 2008-2012) in 2007. The documents outline the framework of cooperation between the UN system and the RGoB to support the realization of the Millennium Development Goals and Bhutan's national development plan, the 10th Five Year Plan (FYP). Five national priorities or outcome areas for UN support were agreed upon and contributed to the following five overall objectives, namely:

1. To halve poverty by 2013
2. To improve the accessibility, quality and sustainability of the health care delivery system
3. To improve the quality, relevance and coverage of education
4. To foster good governance as a core value for development
5. To enhance environmental sustainability and disaster management

The UNDAF support in these five CT outcome areas consists for a major part of capacity development support in many different forms; capacity development refers to the question HOW the aspired development results in these areas are being achieved. However, in 2007 at the time of the design and planning process of the current UNDAF cycle, no explicit capacity development approach was applied and a CD framework was still in the making. Having a CD framework in place, this evaluation offers an opportunity to look more systematically at capacity development. The evaluation report gives a description of the capacity development support process and results whilst key concepts of the CD framework are used for the analysis of the findings and recommendations for future CD support.

The structure of this evaluation report is based on the key evaluation questions given in the TOR and the Inception Report⁴ and consists of two major building blocks: (1) the CD process and results and (2) the quality of the CD support. Chapter 2 explains the parameters of the evaluation including its limitations. Chapter 3 explains the theoretical framework used for this evaluation. The findings of the CD evaluation start in chapter 4 with relevance and strategic positioning of CD support as these indicators address the overall setting in which UNDAF CD support is provided. Chapter 5 deals with the CD process, starting with identification of capacity needs, the inputs that UNDAF provided and the results in terms of outputs and outcomes. It uses key concepts of the CD framework to analyze the inputs, outputs and outcomes of the CD support. The quality of the support is being described in remaining chapters: chapter 6 explains some basic principles (or good practices) of CD support, in particular long term and coherent CD support, chapter 7 looks at coordination and partnerships and chapter 8 at involvement of local capacity providers for sustainable CD support. Chapter 9 has an

³ UNDP, UNICEF, UNFPA, WFP, FAO, IFAD, UNAIDS, OCHA, UNCDF, UNEP, UNESCO, UNIFEM, UNV, UNRC. Other non-signatory agencies like UNCTAD and UNIDO are also part of the process.

⁴ Capacity Development Evaluation of UNDAF in Bhutan, Inception report, 30 April 2012

overview of the recommendations.

Acknowledgements

The capacity development evaluation was carried out by a team of a national consultant and international consultant/team leader, working in close collaboration with the Evaluation Management Team (EMT) and receiving inputs and guidance from the UNCT and the Technical Reference Team. The team expresses sincere thanks to all the implementing partners from both government agencies and non-government organizations and the UN System, for their continuous cooperation and generous support during the evaluation process, with a special thank you to the Evaluation Management Team and the UNCT members for their valuable inputs and feedback. We hope this report will be useful to further strengthen Capacity Development support in the upcoming UNDAF cycle in Bhutan.

Chapter 2. Parameters of the UNDAF Capacity Development evaluation

2.1. Purpose and objectives of the evaluation

This evaluation of capacity development within the UNDAF 2008-2012 has been undertaken to look at how CD support has contributed to strengthening capacities at organizational and institutional levels in Bhutan. Though capacity development is a core contribution within this overall framework of the UN system in Bhutan, so far no specific CD evaluation had been carried out; e.g. it wasn't included in the evaluation plan for the present UNDAF cycle. This CD evaluation looks with a capacity development lens across the Country Team (CT) outcome areas and assesses its achievements, gaps and challenges and lessons learned. It has recommendations for UNDAF how it can ensure effective, sustainable, country/context specific, relevant and nationally owned CD support for the upcoming UNDAF cycle under the 11th FYP and Bhutan's development vision of Gross National Happiness (GNH).

As per the Terms of Reference (TOR) (annex 1), the objectives of this capacity development evaluation are:

- (1) To systematically gather and analyze evidence of the extent to which the UN has been able to deliver capacity development support to strengthen institutions that contribute to the fulfillment of the national development goals of Bhutan (10th FYP).
- (2) Looking forward, based on the evidence of what has and has not worked, to present recommendations for improving the quality of the UNDAF support to develop national capacities, in terms of relevance and strategic positioning, basic principles of CD support, coordination and partnerships and sustainability.

2.2. Scope of the evaluation

In line with the TOR, this CD evaluation covers the period 2008 – 2013. The UNDAF/cCPAP planning process coincided with the drafting of the 10th FYP; the two processes were mutually reinforcing. The UNDAF and cCPAP were finalized before the newly elected government came into being in the 1st quarter of 2008, but had sufficient flexibility built-in to ensure alignment with the 10th FYP which was officially adopted by the new government in April 2008. This flexibility explains why the main UNDAF document mentions the years 2008 – 2012, whilst this CD evaluation overlaps with the 11th FYP period 2008 -2013. CD support in the period from 2008 till July 2011 is looked at retrospectively while the years 2012 and 2013 were taken prospectively.

The evaluation methodology is based on primary and secondary data gathering (annex 2). To avoid duplication of efforts, the evaluation built on key documents such as the UNDAF Mid Term Review 2010 (MTR) and outcome and project evaluations of the 5 CT outcome areas in the current UNDAF

cycle (annex 5). Together with the Annual Work Plans (AWPs) of these outcome areas, these documents were also used for an inventory of CD outputs of the UNDAF support of 2009-2011.

In consultation with the UN co-chairs of the respective outcome areas, interviews and focus group discussions were held with GNHC as strategic partner, with the Implementing Partners (IPs), with local capacity providers, in particular training institutes, and other donors and development partners (annex 4). To substantiate the findings from the interviews and discussions, an anonymous opinion questionnaire was sent online to 128 IPs (annex 3) of which 36 responded (28%), within the limited time of 10 days and 2 reminders. The response rate doesn't allow drawing major conclusions from the questionnaire and 10 (out of 18) questions are put in the report to further explain findings from other primary sources; mainly in paragraph 6.2, linking CD and HRD, and chapter 8 sustainability of CD support. The full questionnaire is included in annex 3.

During the current UNDAF cycle, UNDP has developed a CD framework elaborated in, amongst others, Practice Notes on Capacity Development (2008), Capacity Assessment (2008) and Measuring Capacity (2010). As this framework didn't exist at the planning stage of the current UNDAF cycle, capacity development remained largely implicit or, as found in the MTR 2010, was assessed in some (Poverty, Governance, Environment/Disaster Management) outcome areas but not in others (Health, Education).

The (output and outcome) concepts from the CD framework were included in the TOR for this evaluation but were not used during the design and planning stage of the current UNDAF cycle, which does not justify using them as performance indicators for assessing the capacity results. In view of this, the evaluation is using a descriptive approach in looking back at the CD process and results of 2008-2011 and uses the (output and outcome) concepts of the framework to illustrate how these concepts can structure the design and guide implementation of future CD support (2012 and beyond). The case studies were added to illustrate successful or less successful examples of CD support and to explain the CD framework. They don't pretend to give a complete picture of CD support provided and are often more anecdotal. During the evaluation, debriefings of the preliminary and final findings were held and feedback received included in the final CD evaluation report.

Limitations

The evaluation team dealt with the complexities of simultaneous UNDAF evaluation and roadmap for the planning of the next UNDAF cycle. This was already acknowledged in the TOR, which recognized limitations given the time frame for completing the CD evaluation. Proposed was to be selective and target only some UN CD support initiatives during the UNDAF period.

Given time schedule in combination with the magnitude of CD initiatives in the 5 outcome areas, only some CD activities could be covered for primary data collection (interviews and focus groups). The case studies support or clarify findings from the desk research and primary data rather than providing profound empirical basis for specific CD support in the current UNDAF cycle. As much as possible they have been chosen from the different outcome areas; however more information could be gathered from outcome area 2 (Education), outcome area 4 (Governance) and outcome area 5 (Disaster Management and Climate Change) and less from outcome areas 1 (Poverty) and 3 (Health).

In line with the TOR, the CD evaluation would compile an inventory of outputs to identify a select number of capacity development initiatives for more focused study. However, the compilation turned out to be a challenge due to lack of structure and consistency in available information; reporting formats have changed over the years and inputs, outputs are not made explicit and often not complete; outputs and outcomes are not clearly linked and the format of the cCPAP and the AWP is not consistent with the M&E framework. It took extra time and effort to compile the outputs of the 5 outcome areas; it could not be used to select a number of CD initiatives for more focused evaluation and as it was ready only towards the end of the evaluation process, it affected the depth of the analysis of the outputs and outcomes (chapter 4). The inventory of the CD outputs (annex 6) doesn't cover the entire UNDAF period but has taken 2009-2011, mainly based on the joint AWP and the Annual Reports of this period. The difficulties (including delay) in compiling the CD outputs have affected the quality of the inventory of the CD outputs.

Apart from these limitations, the CD evaluation could be carried out within the TOR and agreed upon Inception report.

Chapter 3. Key concepts and principles of capacity development support

This CD evaluation uses the capacity development definitions given in the TOR/Inception Report:

- *‘Capacity’ is the ability of people, organizations, and society as a whole to manage their affairs successfully⁵*
- *‘Capacity development’ is the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time⁶*
- *‘Capacity development support’ is the process that contributes the resources, the strategies, the motivations and the ideas to encourage the development or emergence of abilities⁷*

Capacity development is addressed at **the individual and organizational level and the enabling environment (or: institutional level)**. The three levels of capacity are mutually interactive and influence each other through complex co-dependent relationships⁸. The definitions are based on the consensus that capacities do already exist and that capacity development must bring about change that is generated and sustained over time. It is an endogenous process; it comes from within the institution and - within the scope of this evaluation - is institution/country driven and owned. UNDAF and other development partners can support or facilitate this process. However, it is important to acknowledge that reality is rather complex and capabilities and capacity development often emerge on account of external factors and actors, such as donor policies or external opportunities and interventions, which have value in themselves as long as there is local ownership and commitment within institutions or systems⁹.

Another level of complexity is the distinction between **contribution and attribution** to results of capacity development support. Capacity development outcomes, in the sense of institutions able to perform better, are the result of contributions by UNDAF and/or other development partners, and/or of endogenous processes without external support and these capacities are being developed in ongoing processes of already existing institutions and capacities. In such a complex environment, it is reasonable to identify the contribution of UN support without necessarily attributing the change in capacity to specific input(s) alone.

In line with the above, **Defining and Measuring Capacity Development Results** is used as the conceptual framework for this CD evaluation.

⁵ UN Development Group Position Statement on Capacity Development (UNDG, 2006)

⁶ UN Development Group Position Statement on Capacity Development (UNDG, 2006)

⁷ Definition as stated in *UNDP Contribution to Strengthening National Capacities- Ownership* (UNDP Evaluation Office, 2010)

⁸ UNDP Practice Note “Capacity Development”, 2008, p 6

⁹ Fernando, Udan, Velden, Fons van der, Ten dilemma’s with regard to capacity development (2012) in: Fons van der Velden (ed), *Facilitating organizational change*, New Delhi (Concept Publishers)(under publication) p 8

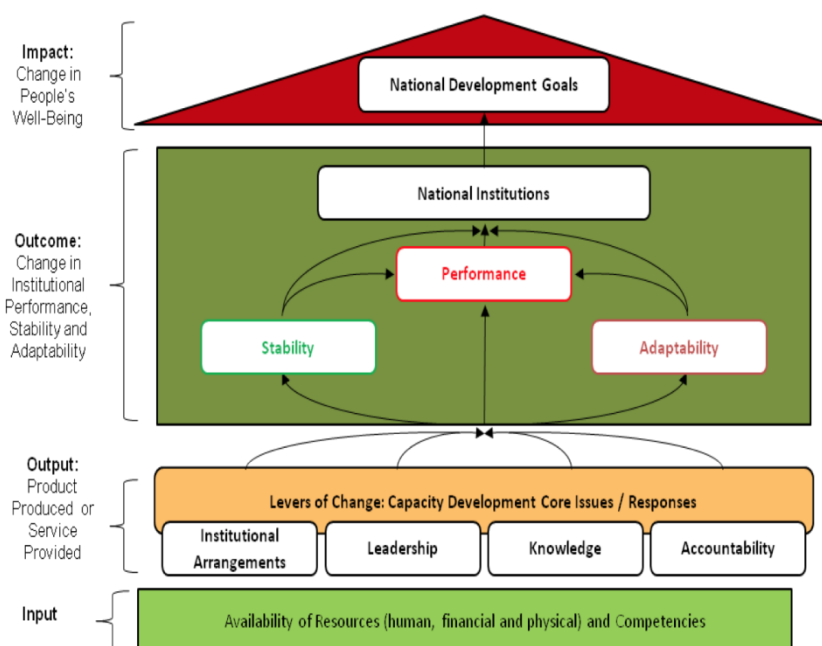
Defining and Measuring Capacity Development Results UNDP, July 2010

UNDP has developed a framework for better defining, capturing and communicating capacity development results. The framework begins with the end in mind – national development goals – and focuses on two levels of results that contribute to the achievement of such: outcomes as measured by the change in institutions' ability to perform efficiently and effectively, sustain that performance over time, and manage change and shocks; and outputs or the products produced or services provided that result from investment in key capacity development response areas.

The framework can help UNDP development practitioners in that it i) encourages a renewed focus on institutions as the connection between capacity development support we provide and achievement of national development goals; ii) encourages design of programmes that contribute to targeted institutional change and that are based on capacity development responses that have been proven to be effective; and iii) it enables us to capture and communicate the results of capacity development efforts.

Following the logic of the results chain, the framework presents a flow of how improvements in people's lives -- the **impact** level -- are affected by changes in institutional performance, stability and adaptability -- the **outcome** level -- which in turn are affected by the products and services produced from programming actions -- the **output** level. Human, financial and physical resources are the **inputs** that are needed to generate the outputs.

The levers of change are the four core issues that UNDP research indicates are the most effective in developing capacity, namely: (i) institutional arrangements, (ii) leadership, (iii) knowledge, and (iv) accountability.



It should be noted that capacity development is a key dimension of the planning process, as the articulation of institutional objectives defines what level of performance, stability and adaptability (outcomes) is required and in turn defines what kinds of capacity development responses (outputs) can be most effective. The indicators of such results can then go into monitoring and evaluation plans, which will enable systematic monitoring and reporting of capacity development throughout programme implementation and review and contribute to better performance management, accountability and learning.

Resources available for defining, measuring and communicating capacity development results include:

1. UNDP Report on Measuring Capacity, Jun 2010
2. UNDP Capacity Measurement "App" (beta version available on Teamworks)
3. UNDP Sample MDG Results Matrix
4. UNDP Guidelines for Instilling Capacity Development in UNDP Programming: a Focus on UNDAF, CPD and CPAP
5. UNDP "Handbook on Planning, Monitoring and Evaluating for Development Results, Sep 2009
6. UNDG UNDAF Guidelines

The CD framework explains improvements in people's lives by stronger and more resilient institutions that offer products and services that result from activities supported by capacity development interventions. It provides a structure within which CD support can be planned, monitored and evaluated more systematically. It identifies capacity needs, addresses the needs through CD inputs leading to outputs and eventually resulting in outcomes. Human, financial and physical resources are **inputs** that are needed to address **capacity needs**, identified at the individual or organizational level or the enabling environment.

At the **output** level, the framework explains CD support as products or produced services in four core issues: **institutional arrangements, leadership, knowledge and accountability**. These four core issues are the areas where capacities are strengthened or 'where the bulk of changes in capacity takes place'¹⁰. In general, one could say that these core issues need to be addressed for sustainable CD results, but this is just indicative, not prescriptive. Capacity needs are first and foremost determined by the context and capacity assessments. These 'levers of change' are mainly helpful to better understand the levels or areas in which capacities are developed and where they are most effective in terms of organizational and institutional development. This will be illustrated in 5.3 (CD outputs).

The CD framework has three components to measure outcomes: performance, stability and adaptability. Using these components will help to articulate the CD perspective and to formulate outcomes in terms of changes (rather than capacities strengthened), answering the question capacities strengthened for what?

Measuring CD outcomes¹¹ using three different change indicators:

Performance: institution's ability to be effective and efficient in fulfilling its intended purpose.

Stability: the degree to which an institution (or system) can decrease volatility through institutionalizing good practices and norms and identify and mitigate internal and external risks through risk management.

Adaptability: institution's ability to perform in future conditions and meet future needs through investments in innovation and continuous improvement.

To conclude, the key concepts of the CD framework will be used to address key questions of the CD process and results (chapter 4).

¹⁰ UNDP Practice Note "Capacity Development", 2008, p 11

¹¹ Capacity Development: Measuring capacity, UNDP, 2010, p 9-16

Chapter 4. Strategic positioning and relevance of the UNDAF Capacity Development support

Starting with the overall setting in which UNDAF CD support is provided, this chapter describes the relevance and strategic positioning of CD support.

4.1. Strategic positioning of CD support

Amidst other donors and development partners, the UN is strategically well positioned to provide capacity development support; it has a long-term presence in Bhutan whilst it offers access to relevant knowledge and specific technical know how. The UN agencies maintain short communication lines with RGoB and practice some flexibility to support initiatives and events that are of strategic importance for Bhutan (e.g. Educating for GNH (2010) and the recently held UN High level meeting on Wellbeing and Happiness: defining a new economic paradigm (2012)). The MTR 2010 indicates that Implementing Partners generally appear to have a high regard for UN Agencies; some cited responsiveness, neutrality and flexibility, as well as the UNs understanding of the realities in Bhutan. Interviews with GNHC further indicate that ownership of the CD support is with RGoB, specifically GNHC as coordinating agency, whilst decisions are being taken jointly.

4.2. Relevance of CD support

Outcome evaluations in the 5 CT outcome areas and the MTR 2010 show that the UNDAF approach is consistent with Bhutan's overall development vision of GNH and aligned with national priorities in the 10th FYP¹². The Review further states that UNDAF incorporates the normative programme principles of Human Rights Based Approach (HRBA), gender equality and environmental sustainability, as well as the operational principles of **capacity development** and Results Based Management (RBM).

This CD evaluation cuts across the 5 CT outcome areas and looks at relevance from the capacity development angle. Interviews with key informants (e.g. GNHC and Department of Local Governance (DLG)) confirmed that major progress has been made in developing country driven designs such as the Civil Service HR Master Plan, the National Human Resources Development (HRD) Policy 2010 and the CD strategy for Local Governance, to name a few. International financial support to Civil Society Organizations (CSOs) is channeled through GNHC, which assumes that this support fits within the overall RGoB policies and guidelines as well. The UNDAF CD support is perceived as relevant within the country's policies and plans; however, during interviews with IPs, it was mentioned that CD support is affected by staff turnover and people receive training as incentive rather than aligned with their job profiles. Synergy between CD and HRD is further discussed in 6.2. **(R. 1)**

¹² Table MTR on match 10th FYP, MDG's and UNDAF framework

UNDAF also offers unplanned support that comes through its knowledge networks, which is mostly specific professional knowledge, technical know how and international exposure; it blends with Bhutan's national priorities (e.g. Results Based Management (RBM)). People (mainly civil servants) interviewed mentioned that the unplanned support is appreciated and found relevant as it addresses emerging issues and new knowledge, not available in Bhutan and international exposure. The online questionnaire confirmed this picture as 15 respondents totally agree and 20 agree (= 98%).

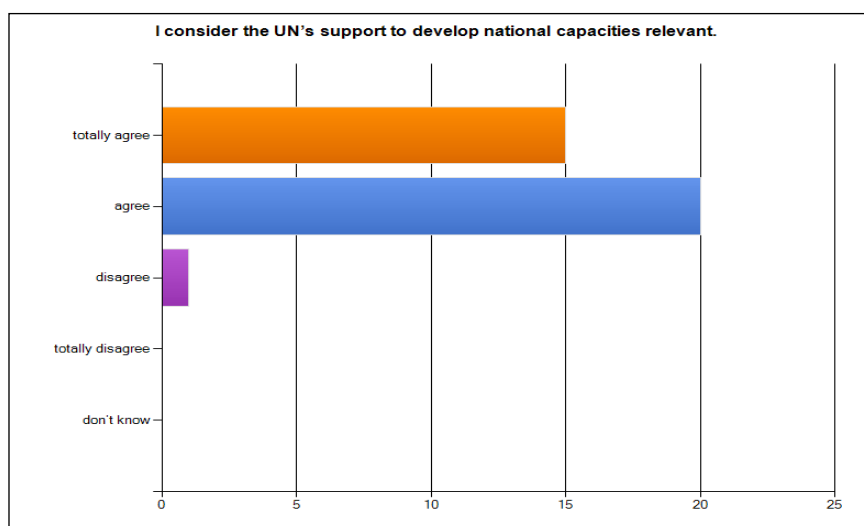


Figure 1: Responses on relevance of UN support in developing national capacities

However, UN staff also indicated that it is difficult to manage the unplanned opportunities vis à vis the planned support. As the opportunity to acquire new knowledge and skills should not be missed, it is suggested to see how such opportunities fit in the ongoing CD support. A small percentage of the budget could be allocated for these unforeseen opportunities and the responsibility for spending the budget could be delegated to the RGoB, e.g. GNHC or a joint RGoB/UNDAF Committee. **(R. 2)**

4.2.1. Institutional framework for Human Resources Development

The number of recently developed CD and HR documents in different sections of society confirms RGoBs efforts to allocate limited CD resources where most needed for maximum impact, e.g. the HRD Policy (2010), which was developed with UNDAF support. More recently in March 2012, Guidelines for Preparation of the 11th Five Year Plan read under the chapter *Human Resources Development* that a National Human Resource Master Plan (2013-2020) will be in place to develop a highly skilled and well talented pool of human resources in civil service, corporate sector and private sector¹³ for Bhutan to become a knowledge based society and green economy. The Master Plan is

¹³ Guidelines for Preparation of the 11th FYP 2013 -2018, March 2012, p 49

planned to be ready by March 2013 and implementation should start in July 2013. And most recently, the CSO Fund Facility¹⁴ for Civil Society strengthening has undertaken a CSO capacity needs assessment that identifies capacity gaps and challenges in CSOs and guides future CD support for CSOs (see 6.1 Civil Society Development).

Relevant (existing and planned) Capacity Development policies, plans, strategies and assessments

- *Guidelines For Preparation of the 11th FYP (March 2012)*
- *HRD policy and Economic Policy 2010*
- *Civil Service Act 2010 and Civil Service HRD master plan*
- *Capacity Development strategy for local governance (2010)*
- *Capacity needs assessment of CSOs (May 2012)*
- *Sector specific needs assessments in sector strategies*
- *National Human Resources Master Plan (planned for March 2013)*

The key CD/HRD policies, plans, strategies and needs assessments will guide CD support within the identified priorities and foci. Assisting in realizing the National HR Master plan 2013-2020 would be (another) strategic opportunity for UNDAF. Once this National Master Plan is endorsed, it is another strategic document that will guide CD support.

4.2.2. Capacity development support for Gross National Happiness (GNH)

Bhutan's development vision of GNH is the overarching vision that guides all developments in Bhutan. Till recently the link between the overarching vision and the policies and guidelines so far remained implicit, also in the UNDAF capacity development support offered. A major step forward is the GNH policy screening tool and the design of the 11th FYP, using the 4 pillars of GNH to plan, monitor and measure future development priorities. Along with it, capacities need to be developed to put GNH principles in practice, across all levels and layers of Bhutanese society. Putting the vision of GNH into action is what ultimately counts. Future UNDAF CD support can be strategically geared towards this endeavor and more explicitly address GNH; similar initiatives like the UNDAF supported Educating for GNH are recommended. **(R 3)**

Educating for GNH

Educating for GNH incorporates basic values and principles of GNH in the educational system; e.g. the 4 pillars of sustainable development and the 9 domains of GNH.

The MoE, in its effort to mainstream GNH values in school curricula, brought together heads of schools for a GNH Workshop in December 2010 to learn how to incorporate GNH values and domains.

Science teaching has become more practical and impact oriented, e.g. the impact of climate change on our lives and how careless waste generation and management contribute to climate change. Students are now being taught to weigh and find out the accumulated waste from their lunch boxes, how it affects nature and people and how to mitigate/lessen these impacts.

¹⁴ A joint collaboration of the Representative Office of Denmark (ROD), Helvetas (Swiss), SNV, Netherlands Development Organization and Austrian Development Cooperation (ADC)

*In History students study their own family trees and local community history. Elders and community leaders are invited as guest lecturers on **community vitality** and living in close **harmony with nature**.*

*Math's has become more practical and closer to home calculating home expenditure management and consumer consumption and debt. It teaches students the social and environmental benefits and costs in accounting and addresses the **living standards within GNH**. Ultimately, the end goal of Educating for GNH is to achieve a Resilient Bhutan making GNH principles part of an **"immune system"** to globally destructive tendencies.*

Source: <http://www.educatingforgnh.com/GNHinUse/GNHinCurricula/InSchools.aspx>,

To summarize, UNDAF is well positioned and CD support provided is relevant for Bhutan's development efforts. The support can be further aligned with the existing CD and HRD policies and plans for more effective results. The next chapter will explain how improving implementation capacity will allow UNDAF to optimally use its positioning and further enhance relevance of support.

Chapter 5. The Capacity Development support process and results

This chapter describes the UNDAF capacity development process and the capacity results found in the documents and the interviews. It looks into capacity needs and how they were identified, the support that was put in and the results in terms of outputs and outcomes. The picture of the current CD support that emerges is a process without a proper CD plan or design; the inputs cover all sectors and levels of society and they are not always based on identified needs. Some information on numbers of people (men and women) trained, duration and topics of trainings could not be found. It turned out a challenge to link CD outputs to outcomes. This picture is not a surprise, as the support was not planned from a capacity perspective; what is not planned for, is difficult to assess afterwards and can best be described as it has happened. Therefore, the first part of each paragraph in this chapter starts with a description of the CD initiatives undertaken so far, whilst the second part uses the CD conceptual framework to explain how a structured and systematic CD approach can lead to more effective CD support.

5.1. Identifying capacity needs: a CD design and plan

Findings

Findings from the MTR 2010 show that capacity needs in the outcome areas are identified during the prioritization workshop for the overall UNDAF design. Capacities needs assessments however, are not integral part of the design and are not mentioned in the Annual Work Plans (AWPs). The M&E framework has baseline figures and indicators for monitoring and measuring; however, the information from the AWPs and the M&E framework is not identical and clearly aligned.

The CT outcome areas do not have a uniform approach to capacity needs assessments, e.g. the MTR 2010 mentions that in the outcome area of **Poverty** no needs assessment and capacity studies for targeted communities were undertaken as the basis for programme design and planning. However, the poverty reduction programme on cane and bamboo handicrafts, jointly implemented with Bhutan Development Finance Corporation (BDFC), was based on a Participatory Needs Assessment (in which 50.3 % of the participants were women). The Labor Force Study of the MoLHR in 2010 indicates a youth unemployment rate of more than 9 %, as the basis for the MSME projects specifically targeting youth. In **Health** technical training is based on base line indicators for service delivery; similarly in **Education**. Within **Governance** the same MTR recommends that future trainings (at levels of local governments) become more demand-driven, addressing the different service delivery capacities of local governments and fostering a greater degree of local ownership. Recently, within the Local Governance Support Programme (LGSP), Capacity Development Grants (CDGs) were added to the annual grants of the local governments amounting to approximately 15 % of the annual grants. This is being piloted in 20 gewogs (blocks) spread over 6 dzongkhags (districts) and one thromdoo

(municipality). Consultations with staff of DLG learned that the percentage came a bit higher as it had to be allocated based on the formula of poverty, population and geographic area. The floods and earthquakes in 2010 proved the importance of Environment and Disaster Management in 2010; different technical and mainstreaming capacities have to be built and the exact 15% is used for the Environment, Climate Change and Poverty (ECP) activities. Local leaders also have the provision to allocate 5% of the Annual Grants for developing their capacities, according to DLG.

Despite the fact that capacity assessments remained largely implicit, interviews indicated that the inputs address existing needs. The transition into democracy narrates many examples of new knowledge and skills needed for establishment and functioning of new institutions, such as the National Assembly and National Council, Constitutional Bodies, Media, and new departments and agencies. Setting up the Department of Local Governance (in MoHCA) means that capacities of DLG staff have to be built (e.g. fiscal decentralization). A similar case is the Department of Disaster Management. And the nationwide training on Results Based Management (RBM) by GNHC in 2010 was based on the need of effective and standardized reporting. It helped RGoB to further strengthen planning, implementation and monitoring of national priorities and formed the basis of the collaboration between RGoB and UNDAF.

Capacity development support addressing the real needs was confirmed by the online question that capacity development initiatives address the real needs: 26 respondents (totally) agree (72%), 8 disagree (22 %) and 2 don't know (6%).

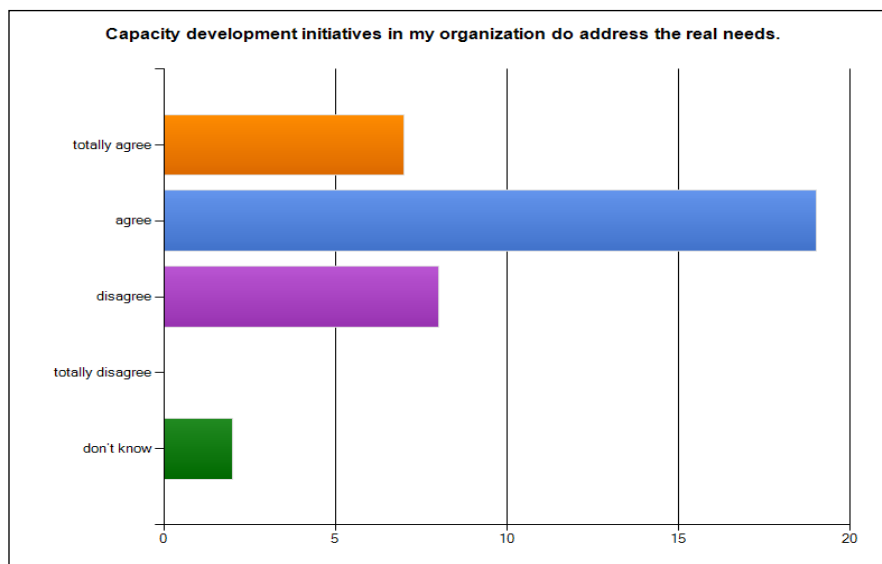


Figure 2: Responses on capacity development initiatives addressing the real needs

Some suggestions for improving future CD support given in the questionnaire are: CD support should be need based and not be limited to ex-country conferences and workshops of the Central Ministries but should be well assessed and planned and national agencies should prepare a detailed plan for national capacity development strategy.

Undertaking capacity needs assessments during the planning and design stage of the next UNDAF cycle, would make it possible to identify the most urgent and important capacity needs and plan inputs accordingly. Specific CD assessments can be undertaken as part of the planned UNDAF initiatives but existing needs assessments can be used as well, e.g. the already existing CD strategy for LG or the CD needs assessment for CSOs. Using these assessments will also help to identify the right people for specific CD activities and assure that capacities developed will be better linked to performance.

Analysis of the findings

The Practice Note on Capacity Assessment¹⁵ explains in detail the purpose of capacity assessments in the CD process. They offer a structure for identifying capacity needs, clarify capacity development priorities and address capacity issues across three different levels or entry points. This structure can be used for planning future CD support.

Capacity assessments in the CD framework identify three dimensions:

- 1. Identify the **entry point** for a capacity assessment: at what level are the needed capacities identified, at the levels of **enabling environment, organizational level or individual level**? Clearly articulating capacity needs will help determine the appropriate point of entry and capacity inputs.*
- 2. Define where the CD products or produced services are being targeted; do they concern **institutional arrangements, leadership, knowledge or accountability**? As explained in chapter 3, these are the so-called core issues or drivers of change.*
- 3. Decide what types of capacities are needed, are the **functional and/or technical**? Functional capacities are managing capacities to formulate, implement and review policies, strategies, programmes and projects. They are crosscutting whilst technical capacities are sector or issue specific. Functional capacities are:*
 - capacities to engage stakeholders*
 - capacities to assess a situation and define a vision and mandate*
 - capacities to formulate policies and strategies*
 - capacities to budget, manage and implement*
 - capacities to evaluate.*

Capacities within the UNDAF CD support aim at addressing institutional and organizational levels. However, part of the CD support remains at the individual level; documents as well as interviews indicate that staff turn over affects effective CD support as it is sometimes offered as an incentive (e.g. project management staff attending technical trainings), rather than a necessary step towards enhanced (organizational or institutional) performance. Using the technical and functional capacities explains

¹⁵ Practice Note Capacity Assessment 2008, p 8-14

what types of CD initiatives are needed and which organizations or staff should participate in these initiatives.

Identifying CD support at individual, organizational or institutional levels also helps to organize support more strategically. Though the MTR 2010 indicates that substantial improvement has been made in reducing the number of AWP, the joint presentation of different IPs under one specific outcome in a CT outcome area remains a paper reality and implementation is still geared towards single IPs without making the connections between them. The institutional focus refers to an issue-based approach and joint collaboration (rather than IP focused approach). Some good examples exist in Environment and Disaster Management (Joint Support Programme) and Governance (Local Governance Support Programme). Right from the beginning, defining expected outcomes, identification of needs and corresponding inputs is being done jointly. An issue-based approach is per definition a multi-stakeholder approach and though inputs and outputs can be provided at organizational levels, the outcomes are being measured at the institutional level.

To summarize, integrating capacity needs assessments as part of the planning process, will make a strong plan for CD support; the identified needs will be a baseline that justifies the inputs and gives the indicators for monitoring and measuring CD outputs and outcomes (M&E framework). It is the backbone of a structured capacity development process.

5.2. Capacity Development inputs

Findings

Desk study of CD initiatives undertaken so far shows that the types of capacity development inputs in the AWP, the M&E framework and annual reports are mainly (in- and ex-country) training and training-of-trainers (ToTs), exposure visits, conferences, study tours, workshops and Technical Assistance. Substantial UNDAF CD support is invested in training and in training-of-trainers, the latter to assure multiplier effect in transferring knowledge and skills, mainly at the decentralized levels.

The inputs of the UNDAF CD support show a rather diverse picture of project or activity oriented short-term inputs to single IPs on the one hand (e.g. in Poverty EDP/MSME) to integrated, cross-sectoral and joint donor inputs for a common long term goal on the other hand (e.g. resilience in education (MoH/MoE) and JSP and LGSP). Document study and interviews with co-chairs and IPs supported this picture. For example, the UNDAF support in TC outcome Poverty has different IPs; no evidence was found that the inputs for the MSME efforts to the IPs are being coordinated or aligned.

Fragmented entrepreneurship development

In Private Sector Development (in Poverty) the MSME/entrepreneurial CD efforts show a fragmented picture and single IP focus. MoEA, MoLHR, MoAF and other agencies like DHI, BCCI and Loden Foundation all participate in promoting entrepreneurship, specifically targeting rural communities, women and youth. For example the EDP initiative of Department of Employment and Human Resource (MoLHR) in collaboration with YDF. The agriculture and marketing cooperatives initiative (MoAF) and Tarayana have the same target of reducing poverty at the communities and facilitating income-generating activities for rural communities. No evidence was found of these initiatives being aligned or linked in one way or another.

Effective implementation of CD support remains a challenge; interviews indicate that in some areas (Poverty, Environment) RGoB co-chairs have declined, due to the coordination burden (MoH). Responsibilities of co-chairs are not included in the job descriptions, planning and reporting processes of RGoB and UNDAF are not aligned and CD inputs are too many and spread too thin, which causes additional burden. MoH for example, has 16 partners, 4 different plans and 8 different reporting requirements; it takes away the focus of their own strategic planning.

On the other hand, the Local Governance Support Programme (LGSP) and in the second part of the current UNDAF cycle the Joint Support Programme (JSP) are examples of donor coordination and joint collaboration. The LGSP is a multi donor programme of 6 development partners¹⁶ and is a first ever example of national donor coordination in Bhutan. The programme is being implemented by GNHC, Ministry of Finance (MoF), Department of Local Governance (DLG) and Ministry of Home & Cultural Affairs (MoHCA). The donor parties put their financial resources for decentralization in one basket. Fiscal decentralization, Planning and Monitoring System (PLaMS), Public Expenditure Management System (PEMS), Multi Year Rolling Budget (MYRB) and additional Performance based CD Grants are some of the inputs under the LGSP.

The Joint Support Program (JPS) aims at mainstreaming Environment, Climate Change and Poverty in all national policies, plans and programmes at local and national levels. Main implementing partner is GNHC, the others are the Ministry of Agriculture and Forestry (MoAF), MoHCA and the Ministry of Economic Affairs (MoEA) with sector agencies Nation Environmental Commission (NEC), DLG, Department of Public Accounts (DPA), Watershed Management Division (WMD) and civil society organizations Tarayana and the Royal Society of the Protection of Nature (RSPN). Capacity inputs are short and long term studies/trainings (ex-country) and awareness programs on Climate Change adaptation¹⁷.

¹⁶ Representative Office of Denmark (ROD), UNCDF, UNDP, Swiss Agency for Development and Cooperation/Helvetas and the European Union. JICA (Japan) and SNV, Netherlands Development Cooperation are observers to the LGSP

¹⁷ Capacity needs are highly technical and it is the only programme found that has sent staff of their IPs for long-term trainings like Master Degrees.

Analysis of the findings

Analyzing the inputs it became clear that CD has become a bit of a ‘diluted’ term, mainly equivalent with (short) workshops and trainings (-of-trainers), whilst in fact these activities are often not more than orientations or transfers of basic knowledge and skills, e.g. in the case of LGSP for fast transfer of knowledge to a large group of local leaders, civil servants and citizens at local levels. TOTs remain largely ad hoc and short term; they often are carried out by civil servants and do not engage local capacity providers in a structured manner (see chapter 8: local capacity providers for sustainable CD support). Trainings and training-of-trainers that cut short basic principles of teaching and learning, won’t be effective in the long run. The following case of training-of-trainers in LGSP is an example of a good start with inadequate follow up.

An example of training of trainers

In 2010, an initiative was undertaken by GNHC, in collaboration with RIM as the master trainer, to train a group of trainers who then would train local levels in “Planning and prioritization of development projects/activities in local governments”. A process was set up to identify potential trainers-of-trainers, organizing a 2 weeks course of 21 participants, who were screened and 10 trainers were selected. This group had another two weeks of intensive training and conducted a pilot training for the GAOs for certification. The selected trainers were grouped into 5 teams and trained the local leaders and GAOs in the gewogs of all 20 dzongkhags, using the “Local Development Planning Manual, as the framework for annual planning at Dzongkhag and Gewog level”. Planning and Prioritization Training Module was developed by RIM used by the trainers as checklist for the trainings. This (English) manual was developed by GNHC, with support of SNV and later translated in Dzongkha.

So far principles of ToT were applied, however no guided process was put in place to accompany the trainers (GAOs) and follow up in their final delivery to the Gups, Tshogpas and the Mangmis. There were some personal initiatives of some of the trainers to remain in touch with the GAOs trained for questions and consultations even beyond the ToTs delivered.

Though capacities of these trainers are not lost, the returns upon investment in training made can be questioned. Interview with representatives of DLG learned that staff of the department is spending most of their time in conducting training at the local levels. Though DLGs training topics might slightly differ from Planning & Prioritization coordinated by GNHC, there is scope for a more integrated and long-term approach to training-of-trainers. Developing and aligning the curriculum for decentralized levels has to be a joint effort and trainings should be outsourced to a pool of local capacity providers whilst GNHC and DLG staff will do the monitoring and quality control.

The following box illustrates the basic principles of teaching and learning through training:

Notion of training and training-of-trainers for sustainable capacity development

Training properly understood is embedded in a learning cycle of identifying needs, providing training inputs, guided application of knowledge and skills and follow up and assessing improved capacities.

Training-of-trainers has a content part and a part that is dedicated to pedagogical knowledge and skills practice, curriculum development and regular review.

Training-of-trainers properly done is a phased process of demonstration, joint training and guided taking/handing over.

*Developed **training materials** such as manuals are put up for continuous review, improvement and adaptation.*

From a CD perspective it is understood that training itself doesn't lead to learning but that it happens in the application during the follow up, which is often overlooked and not included in the inputs. Follow up takes place in terms of mentoring and coaching, training-on-the-job and supportive supervision, knowledge management and peer networking; these are the feedback mechanisms for *creating and building capacities and their (subsequent) use, management and retention*¹⁸ (see also 6.2. synergy between CD and HRD).

When follow up is included or negotiated at the level of inputs, it is more likely that the learnings will be applied and transferred from individual to organizational (and institutional) levels. When asked for suggestions for future CD support in the online questionnaire, several answers referred to the follow up: build institutional rather than individual capacities; assure regular follow up to see effectiveness and utilization of the capacities developed; fewer but longer trainings and make sure that knowledge transfer occurs.

5.3. Capacity Development outputs

Findings

An inventory of the capacity outputs in the CT outcomes areas is compiled from the cCPAP, AWP's and M&E framework documents (annex 6). At the time of the planning of the UNDAF support, no specific CD concepts or CD framework were applied. The CD information in these documents is not consistent or sufficiently detailed; outputs in terms of numbers, specific target groups and expertise areas or topics including base lines are missing.

The four core issues from the CD framework (institutional arrangements, leadership, knowledge, accountability) have been used to define CD products or produced services at output level. Already mentioned in chapter 3, the core issues are the drivers of change or the domains in which the bulk of change in capacity happens. In line with the inventory of outputs, the four core issues are being explained with CD examples from the current UNDAF cycle.

¹⁸ Practice note Capacity Development, 2008, p 5

Table 1. Inventory of the CD outputs (summary)

	Theme Group	Institutional arrangements		Leadership		Knowledge		Accountability		Total	Remarks
		No.	%	No.	%	No.	%	No.	%		
1	Poverty	26	16%	0	0%	129	80%	7	4%	162	
2	Health	3	7%	0	0%	40	93%	0	0%	43	only WHO-CD
3	Education	9	6%	2	1%	143	92%	1	1%	155	
4	Governance	48	22%	0	0%	132	61%	35	16%	215	
5	Envirm. & Dis. Man.	5	3%	0	0%	148	93%	7	4%	160	
	Total	91	12%	2	1%	592	80%	50	7%	735	

1. Institutional arrangements

As Bhutan has recently transited to parliamentary democracy, approximately 12% of the UNDAF capacity development outputs is allocated in establishing and functioning of new democratic institutions¹⁹ and in policy and strategy design for democratic functioning. Outputs that have been realized with UNDAF CD support are, amongst others:

- HRD policy 2010,
- Local Governance Act 2009,
- Annual Block Grants (ABG)
- Cooperatives Act 2010
- Economic Development Policy 2010
- National Health policy 2011
- National Education Policy, including (draft) ECCD and Special Education Policy
- Waste Management Act (PPP)
- National Food Security Policy
- Disaster Management Bill
- National Biodiversity Policy

2. Leadership

Regarding Leadership, only very few outputs (1%) were found; e.g. Leadership for early school leavers and gender and leadership training for heads of nunneries (CT outcome area Education), (formal and non-formal) training of elected MPs and elected local leaders and, (more clearly) Women Leadership in local governance (CT outcome area Governance).

3. Accountability

In accountability, another set of outputs (approximately 7%) has been delivered through strengthened capacities in macro-economic research, evaluation methodologies, data collection, statistical analysis and data processing systems and procedures for high quality and professional data collection and

¹⁹ Such as the National Assembly, the National Council, the Office of Attorney General, Bhutan National Legal Institute, Election Commission of Bhutan

information dissemination²⁰. Outputs in these areas do not only target the RGoB agencies²¹ but also the RGoB – UNDAF collaboration. The RBM trainings of the UN and RGoB staff have strengthened planning, monitoring and evaluation capacities that are applied in the setting of the 10th FYP as well as the UNDAF support cycle; e.g. financial guidelines were developed to address the delay in fund transfers from the UN to Implementing Partners (IPs), according to the MTR 2010.

4. Knowledge

Majority of the outputs (approximately 80%) refers to acquiring knowledge. Both functional and technical capacities across all 5 CT outcome areas are being strengthened through workshops, trainings and other CD support:

- Village Health Workers trained in maternal child health care and WASH;
- At the local levels, trainings conducted in managing block grants, accountable reporting, facilitation of participatory development process;
- Technical training in ECCD, Special Needs Education, multi-grading teaching and education for GNH;
- (MSME) skills training in embroidery, tailoring, handicrafts, horticulture, post harvest facilities, using hybrid seeds, improved variety of cattle, marketing skills including market chain analysis;
- Forming of Farmers groups and training in various fields-organic farming, cattle raising;
- Search and Rescue (SAR) trainings, Fire Fighting training, SMS for disaster reporting;
- Training for CBS staff on basic data collection methods, data entry and analysis using software like CS Pro and knowledge on macro economic concepts for GNH research. Etc...

A case study on outputs in gender mainstreaming and gender equality

UNDAF, amongst other development partners such as Asian Development Bank (ADB) and ROD, has contributed to accelerating the momentum in gender mainstreaming in Bhutan, e.g. in supporting the preparations for the National Plan of Action on Gender (NPAG) 2008-2013 and its reflection in the 10th FYP 2008-2013. UNDAF has supported the National Commission of Women and Children (NCWC) to meet its commitment on CEDAW and CRC through periodic reporting on the status of women and children in the country. It has been instrumental in Bhutan taking action on women's issues and gender issues on the basis of the CEDAW Concluding Comments, e.g. making available sex-disaggregated data, strengthening the NCWC by giving it more autonomy and resources, by facilitating law against domestic violence and increasing women's political participation and economic empowerment. A network of Gender Focal Points (GFPs) serves as the vehicle for gender mainstreaming. The GFPs from both the UN and RGOB comprise the Gender Task Force for the UNDAF.

In the current cCPAP no systematic gender assessment was included during the formulation and on-going gender mainstreaming initiatives appear to have come about as 'add-ons' along the way based on personal commitments, a push from leadership or initiatives of willing partners. The MTR 2010: "a few indicators mention gender, often referring to sex-disaggregated data, but no substantive change in gender relations is articulated."

²⁰ Such as RBM, PlaMS, PEMS, MYRB, Harmonized Approach to Cash Transfers (HACT).

²¹ GNHC, DLG, National Statistics Bureau (NSB), Royal Audit Authority (RAA), Anti-Corruption Commission (ACC), Ministry of Information and Communication, Bhutan Center for Media and Democracy (BCMD) etc.

Was the NPAG adopted as an addition to the 10th FYP, gender mainstreaming is now a National Key Result Area (NKRA) in the Guidelines for the 11th FYP. Integrating mainstreaming gender at the formulation/planning stage of the 11th FYP, puts it on the overall development agenda and will ensure monitoring and follow up.

Analysis

The CD products and services in the core issues or change drivers show that the majority of the output products and produced services is regarding acquiring knowledge, . The outputs under knowledge include substantial sector specific capacity strengthening in health and education, entrepreneurship, disaster management and decentralization. Significantly less are the output products/services under institutional arrangements and accountability and the outputs within the core issue of leadership almost nil.

The fragmented and short-term inputs (mainly trainings, workshops, exposure visits) explain to some extent that the majority of the CD support is in knowledge. Another explanation is that within the newly established democratic set up in Bhutan, much knowledge is needed for establishing national institutions and systems and putting laws and policies in place as part of the democratic infrastructure. As the democratic infrastructure is more or less in place, it is foreseen that the focus of CD in the next UNDAF cycle will shift from law making and policy design to law enforcement, effective implementation and monitoring of policies and consolidation of established structures. For the 11th FYP the focus of CD outputs will probably shift towards leadership and accountability, whilst knowledge for the time will remain an important CD product/produced service. It is recommended for future CD support to have a stronger focus on leadership as (technical and functional) capacities of leaders will be decisive for effective implementation of policies and plans. A longer term and more systematic CD perspective will also help to balance the CD products and services provided by UNDAF. **(R. 4)**

Building on the example of gender mainstreaming in the box above, the 4 (output) core issues are used to analyze the (output) recommendations from the (draft) UNDAF Gender Audit for future gender mainstreaming. It shows how the different recommendations are interlinked they can help to emphasize or add capacity outputs. It however doesn't intend to communicate that all core issues have to be addressed. It is a tool to clarify and strategize; it is indicative rather than a prescriptive.

Gender mainstreaming in the 11th FYP

Recommendations in the (draft) UNCT Gender Audit (2012) indicate the following CD support:

- 1. Consolidation and strengthening a national coordination-implementation mechanism for gender mainstreaming (GNHC-NCWC-UNCT) gender task force*
- 2. Gender-responsive budgeting (GRB): pilot gender responsive budgeting in UNCT financed projects and activities to show, prove and pave the way for a gradual formal integration*

and adoption of GRB at national level

3. *Building and boosting capacity and competence of UNCT and IPs*

The three recommendations overlap with the core issues of institutional arrangements (1), Accountability (2) and knowledge (3). Leadership remains implicit in these recommendations and is covered under building and boosting capacities. Making leadership outputs explicit will be key for realizing the first two outputs: national coordination mechanisms and gender responsive budgeting will be achieved if leadership at the highest levels is convinced and sensitive to gender mainstreaming and willing to implement it. Also, leadership addresses the attitudinal capacities of change and cuts across the other core issues, which are more technical capacities.

To summarize the analysis of the outputs, the core issues mutually reinforce each other and a CD response will be more effective if it combines actions across these four issues. It is however not necessary to address all 4 issues in CD support; which issues are being addressed is defined by the context and the needs assessments. Using these core issues in planning CD support will enable taking informed decisions on where capacities are needed and how combined initiatives will make CD support more effective.

5.4. Outcomes of Capacity Development support

Findings

The UNDAF/cCPAP has formulated one overall outcome for each CT outcome area. These 5 overall outcomes in turn have 4 or 5 specific outcomes. Many of these specific outcomes are formulated in terms of capacities strengthened, mainly at national / institutional levels and also organizational levels. These outcomes are formulated within the specific outcome areas but due to the increased focus on mainstreaming some outcomes cover (parts of) different outcome areas. E.g. entrepreneurial capacities cover poverty and environment; research and data collection capacities and gender mainstreaming cut across all 5 CT outcome areas; and resilience in schools addresses health, education and environmental aspects.

The following outcomes are derived from the MTR 2010 and the outcome evaluations:

In Poverty (CT outcome area 1):

- Entrepreneurial capacities strengthened through policy development, skills training and micro-credit facilities for women (agricultural produce, handicrafts, waste management, etc.) and for young men and women to reduce youth unemployment;

In Health (CT outcome area 2):

- Increased access and utilization of quality health services and reduced spread of HIV/AIDS, tuberculosis and other non-communicable diseases;

In Education (CT outcome area 3)

- Achieving gender-balanced universal education; improved quality of education (e.g. child friendly schools, special needs education, multi grading), resilience in schools and educating for GNH;

In Governance (CT outcome area 4)

- Capacities strengthened of new democratic institutions and constitutional bodies to shoulder their mandates more effectively and professionally;
- Enhanced political participation of women and gender mainstreaming accelerated;
- Decentralized organizational systems and online infrastructure established for faster access to services and transparency and predictability in inter-governmental transfers;

In Disaster Management and Climate Change (CT outcome area 5)

- Strengthened institutional, legal, policy and organizational capacities for climate proofing initiatives and climate change adaptation interventions and compliance and enforcement of environmental regulations, institutionalizing biological corridors management;

Cutting across all 5 CT outcome areas:

- Ensuring better monitoring of MDG progress through improved data collection, statistical analysis and data processing and comprehensive RBM approach for formulation of the 11th FYP at central as well as *dzongkhag* levels.
- Capacities strengthened in macroeconomic research, evaluation methodologies, data collection, statistical analysis and data processing systems and procedures for quality research and information dissemination;
- Strengthened financial planning, budgeting, procurement, budget execution, monitoring, internal control framework for better financial management performance and stronger downward and upward accountability;
- Capacities strengthened in law making and formulation of policies and guidelines for enhanced transparency and accountability.

The list covers the main outcomes of the CD support during the current UNDAF cycle. As mentioned in chapter 3, important is to note that UNDAF has contributed to these outcomes; they cannot be attributed to UNDAF support only. In case of LGSP in which basket funding is applied, the achieved outcomes can be interpreted as results of collective CD support.

It remains difficult to explain within a CT outcome area the linkages between the specific outcomes and how they all together contribute to the overall outcome.

An example from CT outcome area Poverty: By 2012, opportunities for generation of income and employment increased in targeted poor areas (MDGs 1 and 8). CD support covered under the 5 specific outcomes address capacities of small-holder and marginal farmers (access to socio-economic services and food security), capacities for policy framework for private sector development, MSMEs and job creation in particular for youth and women, and RBM in public sector to realize national priorities.

Whether these outcomes indeed are the most strategic ones that together assure achieving the overall outcome remains to be seen. Along similar lines, whether the different outputs indeed contribute to

specific outcomes remains implicit too. The CD key concepts at the output level explained in chapter 3 can help to make these linkages more clear and explicit.

Analysis

The **outcomes** capture the changes that have taken place as a result of the CD outputs that have been strengthened. Strengthened capacities are not an end in itself; the question to answer is: capacities for what? or: capacities for why? What are the changes that result from the capacities that have been strengthened? The changes are at the level of the outcomes. Understanding different types of change can help to decide on the best support that will lead to the change. The three change indicators for measuring CD outcomes (performance, stability and adaptability) of the CD framework can be used to define the type of change at organizational and institutional levels; they don't exclude each other but are interlinked. For example, **performance** in terms of efficient and effective functioning, is often an outcome of organizational capacity strengthening; the current UNDAF CD support to strengthening the National Assembly and National Council are examples of outcomes in terms of performance. Support provided to the Anti-Corruption Commission (ACC), the Election Commission of Bhutan (ECB) and the Royal Audit Authority (RAA) are outcomes towards **stability**. The CD support to climate change and disaster management contributes to **adaptability** of the system. If performance is the aspired outcome, the CD support will be different compared to stability or adaptability. Again, the change indicators give some more clarity on the change that CD support can bring about; it doesn't mean that they all three have to be addressed in all cases. It again depends on the needs identified and the context in which the change takes place.

This chapter explains how CD key concepts can be used to make CD support more effective; in fact they provide a framework in which CD can be better understood and therefore better planned and implemented. UNDAF has the opportunity to use the CD framework for the planning and design of the CD support of the next UNDAF cycle. As the knowledge on CD is rather recent, it is advised to invest in further strengthening staff capacities of UN agencies in Bhutan and RGoB partners to effectively apply the CD framework.

Using the key concepts of the CD framework and systematically planning and designing the CD support will lead to more systematic CD support; CD initiatives that are justified in baselines and needs assessments in turn inform the indicators for monitoring and evaluation. It will effectively address the existing fragmentation between planning and implementation at the start (UNDAF/cCPAP) and monitoring and evaluation towards the end (M&E framework) and bring coherence between the different steps of the project cycle. **(R. 5)**

Chapter 6. Basic principles of Capacity Development support

So far several basic principles of capacity development support have been mentioned. Chapter 4 highlighted that capacity development has to be institution or country owned. In Bhutan RGoB is responsible for capacities within national priorities and plans and collaborates with UNDAF and other donors and development partners. Another principle mentioned in the same chapter is a more focused and issue-based CD approach addressing reforms and systems and jointly working across sectors and ministries and agencies. Other principles that are specific for the current Bhutanese context will be elaborated in this chapter: (1) coherent and long-term support and (2) synergy between CD and HRD.

6.1. Coherent and long-term capacity development

The examples from chapter 5 show CD outputs that focus on institutional arrangements, accountability and knowledge and leadership; they vary from strategic and macro level capacities to basic and hands on capacities at grass roots level. The outputs and outcomes of the 5 CT outcome areas cover governments at national and decentralized levels, civil society organizations as well as private sector initiatives. The duration of the CD support to achieve the outputs and outcomes is relatively short, ranging from short workshops, exposure visits and trainings to a 30 months project and longer; the initiatives are mainly activity or project based. The volume of financial transactions in 2008 – 2011 to single IPs ranges from relatively small amounts (20 to 30.000 \$) to large sums of 2 to 3 million USD. Contributions of different UN agencies participating in UNDAF to a single IP show considerable variations as well.

CD is a long-term process, driven from within and change happens having a critical mass of change agents. Taking a more explicit CD stand within the limited resources available, would advocate for more issue based and multi-stakeholder support with a longer duration. An issue-based approach (rather than a single IP approach) will also assist UNDAF to further integrate CD support amongst the UN agencies. The following project could be an inspiring example for future CD support.

‘Basic Education/Literacy and Income Security for Vulnerable People Including Children and Women in Bhutan’²²

The United Nations Trust Fund for Human Security (UNTFHS) funded a 30 month project (2007-2010) aiming at developing the capabilities of individuals and communities to make informed choices and to act on their own behalf and also allows them to find ways and to participate in solutions to ensure human security for themselves and other.

The approach is based upon 5 key principles; 1) People-centered, 2) Multi-sector, 3) Comprehensive, 4) Context Specific, and 5) Preventive.

The project has the following objectives:

- 1. Improved access and 15 child-friendly schools resulting in higher enrollment and completion of*

²² ‘Basic Education/Literacy and Income Security for Vulnerable People Including Children and Women in Bhutan’, End of project evaluation report, 2011

rural children, girls and boys, in primary education.

2. *Provision of clean drinking water in 20 community schools, latrine in 8 schools and kitchens with fuel-efficient stoves to improve school sanitation and environment in 14 schools.*
3. *Increased knowledge, skills and income of rural poor households through the provision of non-formal education, village skills training and the establishment of a network of 10 Integrated Community Development Centers.*
4. *Micro finance services for the rural poor households, particularly women, improved reaching the unreached.*
5. *Increased jobs, self-employment and small business to reduce unemployment, particularly among youth and women.*
6. *Capacity of civil society organizations enhanced in supporting vulnerable populations and promoting gender equality.*

According to the project evaluation report, in this project UN agencies and implementing partners²³ work together in a genuinely integrated fashion whilst tackling the full spectrum of threats that were compromising the student's education, health, and physical wellbeing.

It would be strategic for UNDAF to concentrate its CD support on emerging issues (or National Key Result Areas²⁴), where it has maximum impact vis à vis the combined competencies and mandates of the different UN agencies. An issue based and integrated CD approach (using the CD framework), right from the planning phase, will enable UNDAF to better understand where CD efforts can build critical mass of change agents for bringing about the aspired change. Examples of environment-poverty mainstreaming and gender mainstreaming have been mentioned. Civil society development in Bhutan could be another example of long-term and coherent support for UNDAF to take up.

Civil Society Development, an example

Thus far, UNDAF support to CSOs focused on specific projects and activities mandated to the CSOs; e.g. Tarayana in rural development for poverty reduction, mainly targeting women, RENEW in establishing and strengthening Community Based Support Systems (CBSS) to reduce violence against women, YDF in youth leadership and counseling activities, BCMD in public awareness through communication and information. The support from international donors had a positive impact on CSOs organizational operations and was appreciated, especially in the bigger and well-established CSOs.

It was during the current UNDAF cycle that ROD in collaboration with MoHCA put in place the basic infrastructure for a civil society sector with the establishment of the CSO Authority and the CSO Facility Fund for streamlining CD support to CSOs. The CSO Fund Facility is an initiative of basket funding from ROD, Helvetas, SNV and Austrian Development Cooperation. Recently, the CSO FF has undertaken a study to assess the capacity and training needs of CSOs and guide the development of a tailor-made comprehensive capacity building plan for CSOs²⁵. The study indicates that the majority of the CSOs need capacities in monitoring and evaluating of programs and improving the quality of proposals as these are directly related to securing funds. In general, human resources management is weak, especially in the recently established CSOs, whilst strong human resources and staff with adequate knowledge, skills, and experience are key to developing and sustaining their organizations. Cooperation and links amongst CSOs is still weak; collective efforts for CSOs to share information and work together on the same issues have to be improved. From the study:

“The General Recommendations on the overall approach for Capacity Building of CSOs

²³ UNDP, UNFPA, UNICEF, UNV and WFP, in partnership with Ministry of Education, Ministry of Economic Affairs, Ministry of Information and Communication, Ministry of Labour and Human Resources and the Bhutan Development Finance Corporation, Ltd. as well as district governments and civil society organizations - RENEW, the Handicrafts Association of Bhutan (HAB), the Youth Development Fund (YDF) and Tarayana

²⁴ NKRA as defined in the Guidelines for Preparation of the 11th FYP (2013 – 2018) March 2012

²⁵ Capacity Needs Assessment of Civil Society Organizations in Bhutan, May 2012

*identifies facilitating a debate on priority development needs in Bhutan and discuss best approaches to tackle them for improved and synergetic development work. (...) At the organizational level recommendations have been made for diversifying the methods of capacity building implementation, other than training such as twinning, mentoring, resource sharing etc. (...) The areas where the newer CSOs will need capacity development are in the areas of **Leadership and Management Capacities, Analytical and Adaptive Capacities, Capacities for Effective Management and Governance and Capacity for Fundraising.***²⁶

The CSO capacity needs assessment offers opportunities to define outputs and outcomes in terms of organizational strengthening including the CSO Authority, but also overall strengthening of (the collective voice of civil society sector. It would also offer opportunities for initiating innovative approaches to CSO engagement, e.g. private sector development within the concept of GNH (new economic paradigm: linking SME to social business). (R 6)

6.2. Synergy between Capacity Development and Human Resources Development

Chapter 3 already mentioned that relevance of future CD support to a large extent is based in the recently developed CD and HRD policies and (capacity needs) assessments and plans. It is important to position capacity development support in the broader reforms and national systems and connect it to Human Resources Development (HRD). RGoB capacities were built at institutional (policy making, mainstreaming) and organizational levels²⁷. These CD efforts could be more effective if they would be linked to good practices in Human Resources; e.g. implementation of the Bhutan Civil Service Rules (BCSR), in particular with regards to HRD (performance management), which is an effective tool to translate development of staff capacities to organizational and institutional levels.

The answers in the on-line questionnaire show a mixed picture of organizations having staff capacity development strategies and plans in place; 22 respondents (totally) agree (65 %) whilst 14 respondents (totally) disagree or don't know (35 %).

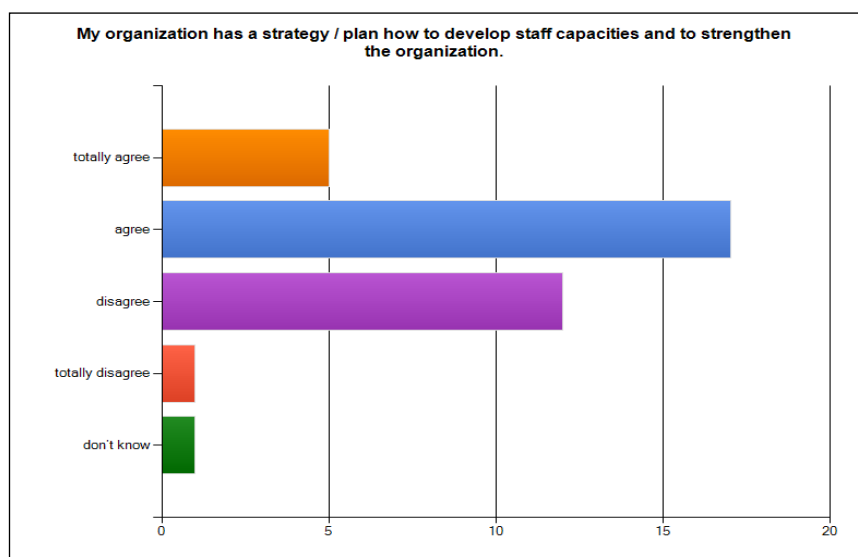


Figure 3: Responses on strategies and plans for CD and organizational strengthening

²⁶ Capacity Needs Assessment of Civil Society Organizations in Bhutan, May 2012, p 6

²⁷ E.g. Anti Corruption Commission (ACC), National Assembly (NA), National Council (NC), National Commission of Women and Children (NCWC), Department of Local Governance (DLG), Department of Disaster Management (DDM).

With the endorsement of the Civil Service Act, HRD Master Plan, the revised BCSR, the restructuring of the Royal Civil Service Commission and delegated responsibilities (of short term courses) to the HR Committees of ministries and agencies, opportunities exist for aligning capacity development efforts with these structures. As a substantial part of UNDAF CD support is directed towards RGoB, it could assist RGoB to further strengthen performance based functioning. Steps are being taken (e.g. at decentralized levels Performance Based Annual Grant System were piloted and later up scaled to national level) but more needs to be done to effectively integrate CD support in the overall system. As mentioned in chapter 4, creating and building capacities are effective if their (subsequent) use, management and retention are taken into account. Staff capacities built will be transferred to organizational and institutional levels.

The answers of the on-line question regarding superiors providing feedback and monitoring performance on increased knowledge and skills show that 20 respondents (totally) agree (55 %), 14 (totally) disagree (39 %) and 2 respondents don't know (6 %).

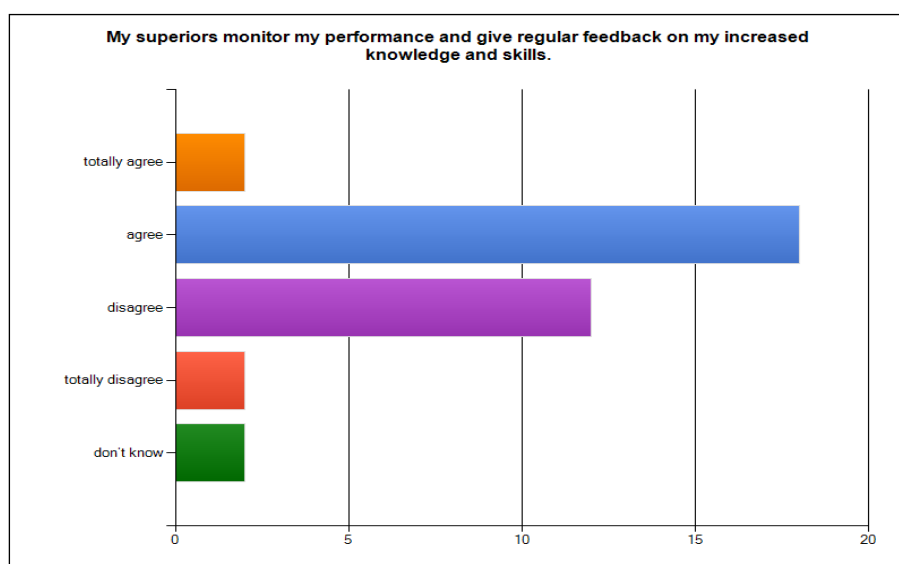


Figure 4: Responses on monitoring of performance and feedback on increased knowledge and skills

Regarding management of capacity development opportunities being decided and allocated in a transparent and equitable manner: 20 respondents agree (55%) 14 disagree (39 %) and 2 don't know (6%). The recent transfer of responsibilities for (short term) CD opportunities to HR Committees of the ministries and agencies support these scores.

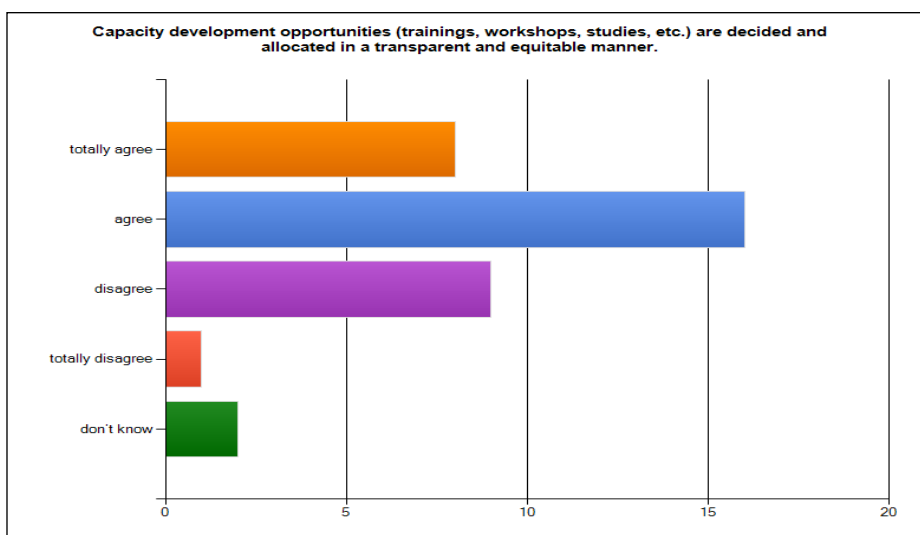


Figure 5: Responses on CD opportunities decided and allocated in a transparent and equitable manner

Findings in the outcome evaluations and MTR 2010 on retention indicate that staff turnover is one of the major reasons for less effective capacity development. This is supported by the findings from the on-line questionnaire: 31

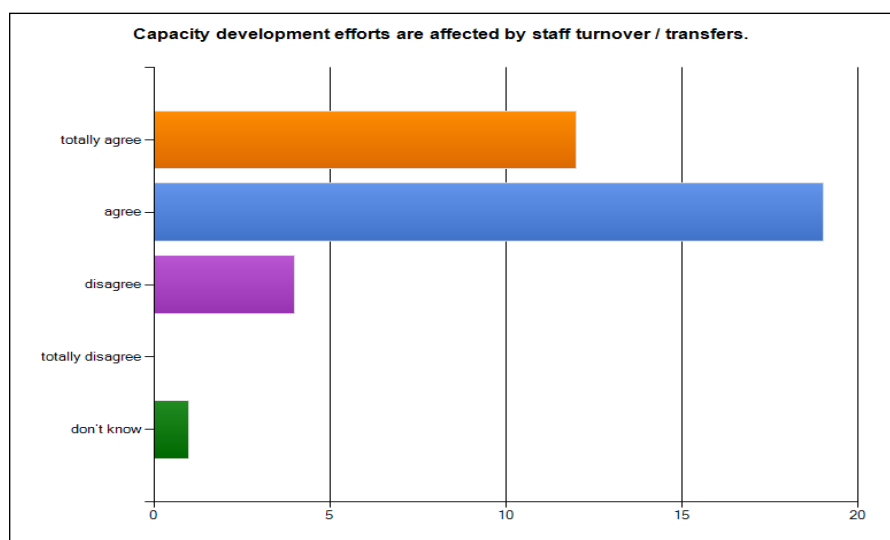


Figure 6: Responses on CD efforts affected by staff turnover/transfers

respondents (totally) agree (86 %) that capacity

development efforts are affected by staff turn over and transfers, which is an indication that allocation and conditions of CD support still need to be improved.

Capacities built are never lost. However, given scarcity of resources and having policies and plans in place, coherent CD support linked to HRD is a realistic and strategic option. It is already mentioned that investments in HRD could be a strategic choice and leadership the future focus of CD initiatives. It is likely that HRD in the civil service (in-service training) might shift from long-term education to short-term training (e.g. through the Management Development Programme (MDP)). It would include strengthening leadership capacities, in particular the capability to adapt to change. This focus fits the core issue of leadership (chapter 5). UNDAF could explore collaboration with RGoB agencies with

HRD mandates (Ministry of Labor & Human Resources (MoLHR), RCSC, Royal Institute of Management (RIM) as main CD service provider to RGoB, etc.). Bringing in more synergy between CD and HRD will include coaching, mentoring, supportive supervision, exposure and peer learning as part of performance management. **(R. 7)**

Chapter 7. Coordination & partnerships for Capacity Development

Within this CD evaluation, quality of the UNDAF CD support is defined by the extent to which the CD support promotes (1) coordination among government agencies and other national actors, (2) coordination and partnership with other donors and (3) coordination within the UN agencies. This chapter deals with the different types of relations and partnerships.

7.1. Coordination amongst government agencies and other national actors

Amongst other donor initiatives, the UNDAF support has been instrumental in strengthening cross-sectoral and inter-ministerial coordination on national issues. According to the MTR 2010, it has provided space for synergy and convergence among stakeholders. Till recently, working together across ministries was a concern raised in several undertakings, e.g. the OD exercise for Good Governance (2007) and the McKinsey initiative on the Government Performance Management System (GPMS) (2010).

UNDAF CD support in education has fostered strategic partnerships between Ministries and CSOs, e.g. Youth Development Fund and the Bhutan Narcotics Control Agency (BNCA). Joint proposals and implementation by these organizations has increased national ownership and commitment and reduced duplication of efforts and resources. More examples exist of increasing collaboration and fine-tuning across ministries and agencies. This is confirmed by the answers of the online question regarding UNDAF support having developed national capacities for inter-ministerial and cross-sectoral coordination and collaboration: 26 respondents (72%) (totally) agree, 3 respondents (8%) disagree and 7 (20%) don't know.

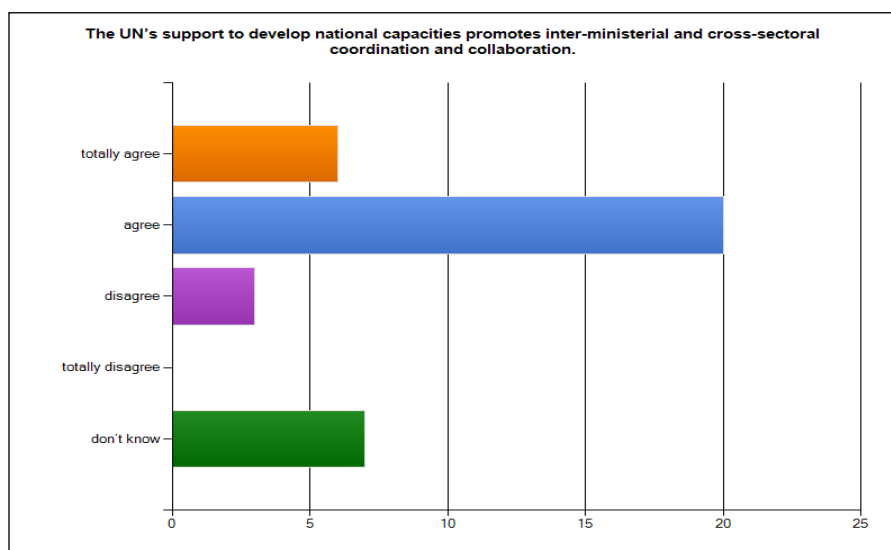


Figure 7: Responses on CD promoting inter-ministerial and cross-sectoral coordination and collaboration

The multi-stakeholder issue based CD approach is a way forward to address issues jointly and set up flexible and temporary structures combining different mandates for effective results. It will strengthen joint planning and joint collaboration across ministries and agencies and across sectors (RGOB, Civil Society and Private Sector). **(R 8)**

7.2. Coordination and partnerships between UN and other bilateral and multilateral donors

CD Partners include Government of India, World Bank (WB), Asian Development Bank (ADB), Helvetas/Swiss Development Cooperation (SDC), Representative Office of Denmark (ROD), Austrian Development Cooperation, Netherlands Development Organization (SNV), Japan International Cooperation Agency (JICA) and European Union (EU), all of which, according to the MTR 2010, are supplementing capacity building and skills development through programmes with the RGoB.

LGSP is a first example of donor coordination for decentralization in which ROD, UNCDF and UNDP are main players; EU recently joined whilst JICA and SNV participate as observers. The more recent Joint Support Programme (JSP) is another example. Both programs join in mainstreaming environment, climate change and poverty concerns into policies, plans and programmes at national and local levels. Phase II of LGSP intends to support CD needs at all levels of RGoB, as well as CSOs and private sector development. UNDAF is well positioned to take a lead role in getting donors and development partners together whilst it could improve acknowledging contributions of other development partners in its presentation/documentation. **(R 9)**

7.3. Coordination amongst UN agencies

During the current UNDAF cycle, the UN agencies have improved communication and coordination: they have reduced their individual AWP to joint AWP for each of the specific outcomes in the CT outcome areas. As mentioned, the coordination is expressed on paper but implementation is still mainly towards single IPs. The MTR 2010 states: the multi-Agency joint programme to promote private sector development and trade for poverty reduction (CT Outcome 3 in Poverty) involves UNDP, UNESCO, UNCTAD, UNESCAP and UNIDO as well as a large number of government stakeholders. Because of the complexity of the programme and diversity of activities, coordination is time-consuming and difficult. However, the complementary actions and approaches have added value as per the DaO spirit in that the national stakeholders are now better coordinated than before.

Delivering as One reflects a gradual process of integrating and aligning principles and approaches into systems. The CD framework (chapter 5) promotes issue based rather than IP or mandate based; this will facilitate further integration of CD support offered by the UN agencies, not only joint planning but also joint implementation, monitoring and evaluation. **(R 10)**

Chapter 8. Sustainability of UNDAF Capacity development support: capacities that last

Sustainability of capacity development support is the topic of this chapter; it focuses on involvement of local CD providers vis à vis international expertise offered by UNDAF (and others). Local capacity providers are training institutes, research and knowledge centers and consultancy firms in Bhutan. The MTR 2010 mentions the challenges in sustainability of UNDAF results referring to: a) the degree of transfer of technology and/or knowledge b) the intensity and internalization of training. Both elements can be directly connected to the role of local capacity providers in the CD support offered.

During interviews the involvement of local capacity providers was mentioned (e.g. Institute of Management Studies (IMS) in training women in political participation, Royal Institute of Management (RIM) in decentralization trainings but the roles of these providers are not clearly reflected back in the outputs reporting. Though there are examples of involving training institutes and consultancy firms in a more structured way (e.g. the LGSP example in 5.2.), these efforts remain largely ad hoc. No systematic approach or strategy exists to involve local capacity providers in CD support, let alone how their capacities are being developed.

The opinion of IPs on capacities and involvement of local capacity providers indicates a gap between the already existing capacities and the use of these capacities: 18 respondents (47%) (totally) agree that local capacity providers nowadays are able to effectively build capacities, 12 respondents (33%) (totally) disagree and 7 (20%) don't know. This is a rather mixed picture.

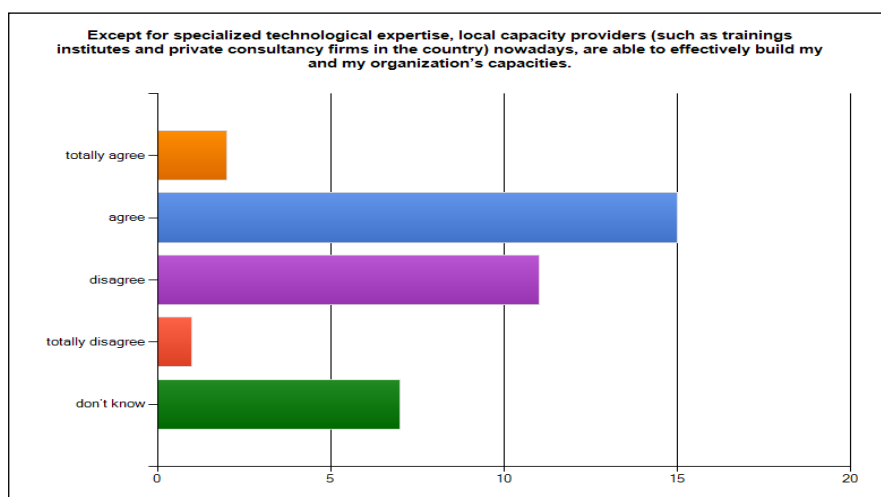


Figure 9: Ability of local CD providers to effectively build capacities

When asked whether local CD providers have been involved in development capacities, 11 respondents (30%) (totally) agree whilst 13 respondents (36%) (totally) disagree and 12 respondents (33%) don't know. The answers show that local capacity providers have capacities, which are not fully used due to the fact that they are not sufficiently involved in CD initiatives offered by UNDAF.

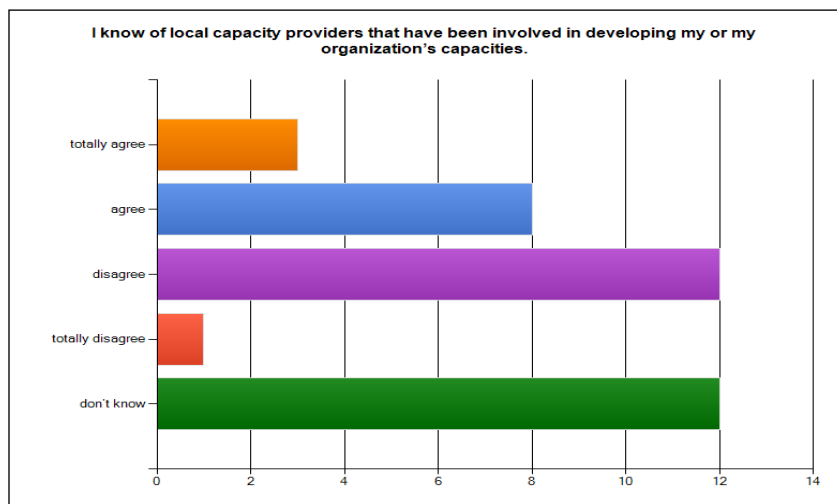


Figure 10: Local CD providers having been involved in capacity development

An important question regarding sustainability of CD support is: whose capacities are built and for what? And do these capacities match with job profiles and mandates? During interviews with the Department of Local Government (DLG) and Department Disaster Management (DDM), it became clear that UNDAF has substantially supported establishment and functioning of these departments. Whilst visiting their offices, most of the staff was out in the field for trainings of elected leaders and civil servants in the gewogs (DLG) and trainings of people at local and national levels in integrating disaster management in policies and plans (DDM). These capacities need to be built. Whether the civil servants are the right target group to develop training capacities is a question raised. The mandate of their departments is planning, monitoring and quality control and not training. Another example is civil servants being asked to assist in training programmes of training institutes as their expertise is now more advanced, e.g. in financial management. It could be an indication that, in specific areas, capacities of trainers are not at par with capacities of civil servants. The question raised on ways and means of strengthening capacities of local capacity providers has to be researched further.

From a sustainability point of view, it is recommended to consistently involve local CD providers in CD activities, e.g. jointly design and develop training curricula but outsource the implementation of these training programmes to the local CD providers. The local presence of the Capacity Providers is also an advantage regarding follow up, training on the job and supportive supervision. Local capacity providers could profile themselves more clearly as experts in specific fields and develop their

expertise accordingly. This is all the more important as most of the training needs in e.g. in decentralization and disaster management are structural and not ad hoc.

An additional question for UNDAF is how to strengthen capacities of the local capacity providers? Ministries and agencies don't want to spend their own budgets on capacity development of staff of training institutes. Proposed is to pool the existing capacity providers more effectively and develop strategies to strengthen their capacities along side or ahead of the civil servants.

SNV has an explicit strategy of systematically involving capacity providers in capacity initiatives offered and works with a list of capacity providers in the expertise areas in which SNV is active. ROD has piloted with nominating local consultants as team leaders of evaluations and assessments. The MoLHR has recently compiled a list of training institutes and private consultancy firms to regulate the sector; capacity development can very well be part of it. Professionalizing the notion of training and training-of-trainers and certifying local capacity providers is another answer to sustainable capacity development. A mapping exercise of existing local capacity providers would be recommended. **(R. 11)**

Chapter 9. Overview of the Capacity Development recommendations

9.1. Relevance and strategic positioning

(1) Findings from this CD evaluation show that the current CD support is in line with Bhutan national priorities reflected in the 10th FYP. The UN is well positioned to collaborate with RGoB and to support national priorities that are strategic and relevant. However, CD support hasn't been looked into systematically and is rather fragmented and not comprehensive. As important CD and HRD documents are now in place (see 4.2.1.), it is recommended that future CD efforts will be more closely aligned with these key documents to ensure that the right capacities at the right levels are being strengthened. CD support in the next UNDAF cycle might more clearly identify strategic actors in CD and HRD not only within RGoB (e.g. MoLHR, RCSC, RIM), but also civil society organizations, training institutes and consultancy firms. A mapping exercise of all strategic actors in CD and HRD would be a useful exercise in planning future CD support. Another suggestion would be assisting MoLHR in realizing the National HR Master plan 2013-2020 as a follow up of the CD support provided for the HRD Policy in 2010.

(2) UNDAF is being appreciated for its access to new knowledge and know-how. Some flexibility should remain for additional CD support of regional and global initiatives offered by UN's knowledge networks. However, UN staff expressed some apprehension as it seems to be difficult to manage unplanned opportunities vis à vis planned support. As the opportunity to acquire new knowledge and skills should not be missed, a small percentage of the budget could be allocated for these unforeseen opportunities and the responsibility for spending the budget could be delegated to the RGoB, e.g. GNHC or a joint RGoB/UNDAF Committee.

(3) Bhutan's development vision of GNH is the overarching vision that guides all developments in Bhutan. Till recently, the overarching GNH concept was not mainstreamed in policies or plans nor translated downwards in actions and behavior. The design of the 11th FYP, using the 4 pillars of GNH to plan, monitor and measure future development priorities is a major forward to address GNH more explicitly and assure translation into p. The government is also applying a GNH screening policy tool. Opportunities exist for future UNDAF CD support to address GNH more explicitly; similar initiatives like the UNDAF supported Education for GNH are recommended.

Till recently the link between the overarching vision and the policies and guidelines so far remained implicit, also in the UNDAF capacity development support offered. A major step forward is the GNH policy screening tool and the design of the 11th FYP, using the 4 pillars of GNH to plan, monitor and measure future development priorities. Along with it, capacities need to be developed to put GNH principles in practice, across all levels and layers of Bhutanese society. Putting the vision of GNH into action is what ultimately counts. Future UNDAF CD support can be strategically geared towards this

endeavor and more explicitly address GNH; similar initiatives like the UNDAF supported Educating for GNH are recommended. **(R 3)**

UNDAF has supported RGoB in the UN High level meeting on Wellbeing and Happiness: defining a new economic paradigm. It is considered an opportunity to continue through support research studies and (pilot) projects to translate the GNH pillars, domains and indicators into sector policies, service delivery and mindsets of the people of Bhutan. Leadership training for GNH could be addressed for citizens at all levels and sections of society and taken forward by training institutes and capacity providers. Such CD support is considered strategic as it will keep awareness on GNH in Bhutan at par with the GNH interest and attention that exists internationally.

9.2. Capacity development process & results

(4) A large part of the current UNDAF CD support was allocated for strengthening capacities of national institutions and systems and putting in place laws and policies that support the transition to parliamentary democracy. Another large part of CD support went into acquiring (sector) specific knowledge and skills. Less attention was paid to leadership initiatives. As the democratic infrastructure is more or less in place, the focus of CD in the next UNDAF cycle probably will shift from law making and policy design to law enforcement, effective implementation and monitoring of policies and plans and consolidation of established structures. The CD framework helps to understand the possible shift in focus from ‘institutional arrangements’ and ‘knowledge’ to ‘accountability’ and ‘leadership’ and to identify capacity needs accordingly. It is recommended for future CD support to have a stronger focus on leadership as (technical and functional) capacities of leaders will be decisive for consolidating the new democratic set up through effective implementation of policies and plans.

(5) Building on the suggestions made in (3), the main recommendation of the CD evaluation towards more effective CD support is using the key concepts of the CD framework for the design and planning process of CD support in the next UNDAF cycle. It offers a systematic or structured approach of planning the CD support, both in terms of steps and content of the CD process.

1. As part of the planning process UNDAF has already engaged in a series of steps such as the Country Analysis and the Comparative Advantage Analysis, which will identify the priority issues and give a first indication of capacity needs. A question raised is whether these analyses sufficiently cover the capacity development aspects?

2. Proposed is to incorporate in the Strategic Prioritization an explicit capacity development approach, assuring that priority CD needs are being addressed as well. For example, the available CD policies and plans mentioned in chapter 4 are an opportunity to identify CD/HRD priorities. This picture will

only emerge if a specific CD lens is being applied: what are priorities areas identified by RGoB and how are they addressed in the policies and guidelines?

3. Zooming in on specific priority issues and themes, an explicit CD approach would start with a multi-stakeholder capacity needs assessment for identifying:

- the expected outcomes or changes as a result of CD support; the outcome indicators of performance, stability and adaptability can be used to specify the aspired changes;
- the entry levels at which support can be allocated (individual, organizational and enabling environment);
- the types of capacities that are needed (functional and/or technical) and the inputs that will deliver these capacities.
- Identify the outputs, whilst using the core issues (institutional arrangements, leadership, accountability, knowledge) to better know where changes most probably will take place.
- Having a clear picture of expected entry levels, inputs, outputs and outcomes, the indicators for monitoring and measuring CD results can be formulated.

A capacity needs assessment structured in this manner will align the process of planning, monitoring and evaluation and the CD indicators formulated during the planning will guide monitoring and evaluation leading to consistency in the reporting documents cCPAP, AWP and M&E framework.

The UN system invested in the development of the CD framework as a tool for more effective CD support. Investments are needed to strengthen capacities of UN staff and stakeholders to understand and apply the concepts of the CD framework; the upcoming planning process for the next UNDAF cycle is a good reason to build staff capacities in CD. Proposed is for staff and stakeholders to familiarize with CD concepts (trainings or workshops) and assure guided application on the job, e.g. during the planning process.

9.3. Coherent and long-term CD support

(6) So far CD support has been offered without a clear strategic focus. It is recommended that UNDAF CD support increases its focus on those emerging issues or National Key Result Areas, defined in the Guidelines for Preparation of the 11th FYP, where it has maximum impact in terms of the combined competencies and mandates of the different UN agencies (e.g. women, youth, rural communities) and vis à vis the other development partners/donors. A strategic focus means ‘doing less for more’ and to opt for issue based and multi-stakeholder CD support. It will enable UNDAF to build critical mass of change agents in a particular area or issue to bring about the aspired change. Environment-poverty mainstreaming and gender mainstreaming initiatives in the current UNDAF cycle are inspiring examples of issue based or cross-sectoral CD support. Another opportunity for more coherent and long-term CD support offers the current state of affairs of civil society development. As the sector has

been established recently and as traditional grant systems are under pressure, UNDAF has the opportunity to support innovative ways of civil society development and strengthen its capacity to play its role in parliamentary democracy in Bhutan. Strategic civil society development would also mean to set up collaboration across the sectors and involve government and private sector in civil society CD right from the start.

(7) The growing CD demands and limited resources indicate that choices have to be made. The fact that RGoB has HR policies and plans will allow strategic focus and link capacity development with Human Resources Development. Future CD support needs to be assessed and aligned with the HR policies and plans. It will assure follow up and transfer of individual capacities strengthened to organizational and institutional levels. As explained in chapter 6, capacity development takes place in the use, management and retention of what is learned in trainings, workshops, exposure visits, conferences and seminars, etc. Making the connection between CD and HRD will enhance understanding of CD beyond trainings, workshops and exposure visits and link it to follow up within job profiles, training-on-the-job, coaching and mentoring, supportive supervision and performance management; in other words, it offers scope to translate personnel development in organizational and institutional development. UNDAF might consider collaborating with HRD key institutions MoLHR, RCSC and CSO Facility Fund as strategic partners for CD support.

9.4. Coordination and partnerships in capacity development

(8) As mentioned in chapter 4, the way forward is moving beyond CD support to single IPs and adopt an issue based and multi-stakeholder approach. The current UNDAF support, together with other (donor) initiatives, has strengthened joint planning and joint collaboration across ministries, agencies and sectors (RGOB, CSO and PS) (see 7.1.). More needs to be done to strengthen collaboration within RGoB and with other national actors to optimally use limited resources and effectively address the national priorities. Future CD support can play a facilitating role; getting key stakeholders together during the capacity needs assessment; identify the main issues and match them with the mandates of the different stakeholders; each one taking its part, would that address the specific issue sufficiently; where and how can stakeholders team up to work together and what capacity issues can be addressed collectively? In a multi-stakeholder approach collaboration between key agencies is used as an indicator for monitoring during the implementation and at the end of the CD support for the evaluation.

(9) The UN is well positioned to initiate collaboration amongst donors and development partners. Already existing examples are the Local Governance Support Programme (LGSP) and the Joint Support Programme (JSP), which both join hands to dissolve powers to decentralized levels, mainstream environment, climate change and poverty concerns into policies, plans and programmes at

national and local levels. The joint collaboration is reflected in the design and implementation of these programmes, however it is not well explained in the UNDAF reporting documents. Recommended is for UNDAF to support the follow up of LGSP (LGSP2) get other players on board and explore opportunities for other joint programmes whilst acknowledging different contributions towards one common goal. Future CD support of UNDAF to strengthen civil society can be aligned with the capacity needs assessment of CSOs carried out by the CSO Fund Facility. UNDAF could join hands in strengthening civil society in collaboration with ROD, Helvetas, SNV and Austrian Development Corporation (ADC).

(10) UNDAF is considered a gradual process of integrating and alignment UN principles and approaches into Delivering as One. The next UNDAF cycle can be used to further define the commonalities and complementarities between the UN agencies and move from joint planning (joint AWP) to joint implementation. Issue based working teams could be formed in which UN staff from different agencies and RGoB partners participate and collectively take responsibility for the aspired CD outcomes. In the end the added value of UNDAF CD support will be truly Delivering as One.

9.5. Sustainable capacity development

(11) Last but not least, CD support will become more sustainable when local capacity providers like training institutes, consultancy firms, research and knowledge centers will be involved in CD initiatives as equal partners. They should participate in the prioritization of issues and capacities needs assessments and eventually facilitate these CD processes at the planning stage and the implementation. Trainings and training-of-trainers so far undertaken by civil servants of specific departments can be outsourced to local capacity providers whilst civil servants join in the design of the trainings and take care of the monitoring and quality control. Advised is to build the capacities of the local capacity providers in technical expertise areas as well as pedagogic skills. A first step would be to undertake a mapping of existing local providers, using the already existing lists of training institutes and consultancy firms compiled by MoLHR and GNHC and SNVs strategy of involving local capacity builders in CD support. Such mapping will indicate the areas of expertise capacity providers have and the capacity gaps.

Future CD support with external expertise should be undertaken in collaboration with a capacity provider for trainings-on-the-job and networking opportunities. It is recommended that CD support specifically targets local capacity providers and that IPs are being encouraged to make use of local capacity providers wherever feasible. The initiative of GNHC to train a pool of trainers (from public institutes and private firms) can be developed into a strategy of capacity development for local capacity providers. Another strategic focus from a sustainability point of view is to professionalize training and training-of-trainers and collaborate with educational institutes on a curriculum for training-of-trainers including certification to strengthen professional training capacities.

The recommendations presented in this chapter are proposals and suggestions for future CD support. Some recommendations are straightforward, others need more study and further consultations in which local capacity providers can play a role. Taking the recommendations forward will further strengthen CD support in the upcoming UNDAF cycle in Bhutan.