TERMS OF REFERENCE: MID-TERM EVALUATION

Country: Bhutan

Full Project Number: 00011511 or BHU/02/001 (UNDP)

00031767 or BHU/02/C01 (UNCDF)

Project Title: Decentralization Support Programme

Sector: Development Administration/Public Administration and Management

Executing Agency: NEX – Ministry of Home and Cultural Affairs

Approval Date: 4 June 2003

Start Date: June 2003

Duration: 2003 - 2006

Total project cost: US$ 3,862,400

Financing

- UNCDF: US$ 1,000,000
- UNDP: US$ 1,756,500
- SNV: US$ 592,400

Evaluation Date: November 2005

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

1. **The general objectives of a UNCDF Mid-Term Evaluation (MTE)** are to:
   - Assist the recipient Government, beneficiaries, UNCDF, UNDP and, as appropriate, the concerned co-financing partners, to improve the efficiency, effectiveness, relevance and impact of the project;
   - Provide feedback to all parties to improve the policy, planning, project formulation, appraisal and implementation phases; and
   - Ensure accountability for results to the project’s financial backers, stakeholders and beneficiaries.

2. **The expected outcome of this Mid-Term Evaluation** is a strategic review of project performance to date, in order to:
   - Help project management and stakeholders identify and understand (a) successes to date and (b) problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, and whether the project is likely to achieve its development and immediate objectives, and whether UNCDF is effectively positioned and partnered to achieve maximum impact.
   - Provide project management and stakeholders with recommendations (a) capturing additional opportunities, as well as (b) for corrective actions to resolve outstanding issues and improve project performance for the remainder of the project duration.
   - Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation and/or identify exit strategies.
   - Help project management and stakeholders set the course for the remaining duration of the project.
   - Help project management and stakeholders to draw initial lessons about project design, implementation and management.
   - Comply with the requirement of the Project Document/Funding Agreement as well as UNCDF Evaluation Policy.

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

B. Project profile

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

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

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

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

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

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

C. **Scope of the evaluation**

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

1. **Results achievement**
   1.1 Is the project making satisfactory progress in timely achievement of project outputs (as per logframe), and related delivery of inputs and activities? Is DSP meeting block grant funded project delivery targets?
   1.2 Given output achievement and related delivery of inputs and activities to date, is the project likely to attain its Immediate and Development Objectives? Specifically in this regard:
      - What are the early indications of whether DSP and the Block Grant-funded projects are likely to make a tangible contribution to addressing:

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2 To be provided by the Programme Officer.
1. various aspects of poverty, improved livelihoods and contributing to gross national happiness?
2. key gender-related issues and the balance between ethnic groups? In the context of a system that yields generally low representation of women and minority groups, has the programme been able to institutionalise systems and procedures leading to more inclusive governance? Is there any indication of the distribution of benefits of the programme across gender and ethnic groups?
Are there any indications of negative effects in this regard?
- Is the project effectively addressing capacity constraints at the local level? In particular, is there sufficient technical support provided by the District to the Geogs (for example with respect to preparing estimations, and administrative support with regard to fund release, accounting etc)? Is the project sufficiently sensitive to and responsive to capacity constraints at the Geog and District levels? Is the capacity development plan effective and likely to lead to sustained capacity improvements in the long-term?
- Is the project effectively capitalizing on lessons learnt from piloting best practice models to influence policy and practice? Have "downstream", pilot activities led to development of “operational policies” (rules, regulations, guidelines, etc) with broader relevance and influenced policy formation and implementation? Has UNDP/UNCDF developed advice on decentralization drawing on pilot experience and broader global decentralization experience?
- What are the indications that the Government is likely to replicate the approach and adopt the fiscal decentralization model and other elements of the approach piloted by DSP?

1.3 Critical issues: Evaluate any other critical issues relating to results achievement. In particular:

i. With regard to the block grant mechanism piloted by the project:
   - Is the block grants system functioning as intended?
   - Is the formula for allocation of block grants appropriate and sufficiently equitable?
   - What is the evidence that this innovation is leading to lessons and models for replication beyond serving as a channel for the government to fund national plans?
   - How significant are constraints imposed by a context of limited real fiscal devolution on the effective piloting of planning and resource allocation by local governments?
   - Are the capital development grants sufficient to provide an incentive to all stakeholders to invest in participating in a local governance model of development?
   - Assess Bhutan’s commitment in practice to regional planning and budgeting. How is the project contributing to this?
   - How effective are the linkages between investment planning and budgeting and from local to regional/national planning frameworks and vice versa?
   - How effectively is the Block Grant cycle integrated into the national budgeting process?
   - How well coordinated are Block Grant discretionary local level planning and investments on the one hand and line Ministry sector-specific planning and investment at the local level on the other?
   - What more could the programme do to move more donors away from a parallel local development funding model?

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

iii. Any other critical issues identified by the project team.

2. Factors affecting successful implementation and results achievement

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

2.1 External factors:

i. To what extent does the broader policy environment remain conducive to achieving intended results, including policy impact and replication of the lessons being learnt from project implementation? Specifically in this regard, to what extent do critical assumptions (refer to logframe) on which project success depends still hold?

ii. Are there any other factors external to the project that are affecting successful implementation and results achievement?

2.2 Project-related factors:

i. Project design (relevance and quality). Consider the following:

• Was the project concept/logic and design optimal to achieve the desired project objectives/outputs?

• In assessing design consider, among other issues:
  - Were relevant gender issues adequately addressed in project design?
  - Was the institutional focus of the programme on the Geog appropriate? Was the Geog the most strategic and viable choice of unit for effective infrastructure and service delivery? Is the programme sufficiently focused on other institutional levels in view of its objectives?
  - Does the geographical selection of pilot areas effectively support the programme objectives? How has the “compromise” on selection of Geogs between poverty and institutional development objectives impacted on the institutionalization of, in particular, participatory planning?

• Was the project preparation process (formulation, inception) and its products (logframe, Project Operations Plan, Annual Workplans) of good quality?

• Did the project document include adequate guidelines for implementation of the project?

• Is the project rooted in and effectively integrated with national strategies (eg poverty reduction strategy) and UN planning and results frameworks (CCA, UNDAF) at country level?

• Do the project’s objectives remain valid and relevant? Will they result in strategic value added if they are achieved? Does the project design and document need to be reviewed and updated?

ii. Institutional and implementation arrangements. Are the project’s institutional and implementation arrangements suitable for the successful achievement of the project’s objectives or are there any institutional obstacles that are hindering the implementation or operations of the project, or which could benefit from adjustment? Among other issues, assess:

• Capacity of the implementing agency, including with respect to annual work planning, financial management and reporting, and M&E.

• Adequacy of technical and advisory support staffing.

iii. Project management:

• Are the management arrangements for the programme adequate and appropriate? Are staff capacity and resources appropriate and sufficient for successful implementation of the project?

• How effectively is the project managed at all levels? Is project management results-based and innovative?
Do management systems, including M&E, reporting and financial systems function as effective management tools, facilitate effective implementation of the project, and provide a sufficient basis for evaluating performance of the programme?
- Regarding financial systems: assess any bottlenecks in the system of financial disbursement between donors, UNCDF, UNDP, project and local government.
- Regarding M&E, does the project monitoring system include:
  a. A baseline that enables a good understanding of vulnerable populations/areas, poverty issues, particularly as they relate to vulnerable groups in the areas of intervention, as well as data on access to and functioning of infrastructure and services. Has the baseline data been relevant to and used to inform planning and investment decisions?
  b. Appropriate and cost-effective indicators and related targets linked to the baseline that will enable monitoring of process, output and outcome level performance?

iv. **Technical backstopping:** Is technical assistance and back-stopping from UNDP/UNCDF appropriate, adequate and timely to support the project in achieving its objectives?

v. **Are there any other project-related factors** that are affecting successful implementation and results achievement?

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

4. **Sustainability of results and exit strategy**
   4.1 What is the likelihood that the project results will be sustainable, in terms of systems, institutions, infrastructure, financing, and in terms of anticipated poverty reduction impact?
   4.2 Are planned exit/handover strategies appropriate and timely?
   4.3 Is there an added value role for UNCDF to play beyond project completion?

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

D. **Organisation of the evaluation**

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

   **Lead decentralization consultant**
   Profile:
   - International comparative experience in the field of decentralization and local development.

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

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

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

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

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

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

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

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

2.1 **HQ phone briefing:** The lead consultant will be briefed by telephone prior to the fieldwork by the relevant UNCDF evaluation, technical and programme staff.

2.2 **Review of relevant documentation:** A list of key reference documents is provided in Annex 3.

2.3 **Finalisation of evaluation work plan:** On the first day of the evaluation mission, the Evaluation Team and DSP Programme Officer will review the draft evaluation workplan (Annex 2), and make any adjustments they see fit, taking into account practical and logistical considerations.

2.4 **In-country briefing:** The Evaluation Team will be briefed on the first day of the evaluation mission by UNDP/UNCDF representatives, and relevant government and other stakeholders. All relevant documentation not already sent in advance to the Evaluation Team will be provided by the DSP Programme Officer.

2.5 **The evaluation:** The Evaluation Team will design and conduct the evaluation employing best practice evaluation planning and methodologies. As far as possible the Evaluation Team will triangulate evaluation findings using multiple sources/methods. Wherever possible, all evaluation data should be disaggregated by gender. The evaluation should include all key stakeholders, and a sample of districts and communities in which the project is operating, aiming for the most representative sample feasible. Whilst this mid-term evaluation does not focus on achievement of outcomes or impact, indications of such should be sought using qualitative methods, including consultations with the intended clients of the project. As far as possible, the Evaluation Team should discuss findings with beneficiaries and stakeholders at each stage of the evaluation and obtain their feedback.

2.6 **In-country evaluation wrap-up meeting:** There will be a joint wrap-up meeting of the DSP Mid-Term Evaluation and the Multi-donor Decentralization Outcome Evaluation. At the wrap-up meeting the Evaluation Team will present their key findings and recommendations to key stakeholders for discussion. The DSP Programme Officer will take minutes of the meeting, which will be submitted promptly to the UNCDF Evaluation Advisor, all key stakeholders, and to the Evaluation Team, for their consideration in drafting the evaluation report.

2.7 **An in-country debriefing** session between the Evaluation Team and the UNDP Resident Representative and Government partner representative may be held upon request.

2.8 **Draft evaluation report and Evaluation Summary:** The lead consultant will submit a Draft Evaluation Report and Evaluation Summary to the UNCDF Evaluation Adviser, which will be circulated to all key stakeholders for comment.

2.9 **An evaluation debriefing for UNCDF HQ and Regional staff** will be provided by the lead consultant. The Evaluation Advisor will take minutes of the debriefing, which will be submitted promptly to all key stakeholders and to the lead consultant, for his/her consideration in finalizing the evaluation report and summary.

2.10 **The Final Evaluation Report and Evaluation Summary** will be submitted by the lead consultant to the UNCDF Evaluation Adviser.
3. **Reporting arrangements and administrative/logistical support**

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

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

4. **Evaluation financing**

   The Evaluation Unit will fund the following costs of the evaluation:
   - Fees for international and national consultant
   - Flight tickets for international consultant
   - DSA for international and national consultant

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

E. **Deliverables**

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

   - **Draft Evaluation Report and Evaluation Summary**: The lead consultant is responsible for consolidating the inputs of team members, and taking into consideration comments received at the in-country evaluation wrap-up meeting, to produce a coherent Draft Evaluation Report and Evaluation Summary, according to the format in [Annex 4](#). The Draft Report and Summary is to be submitted electronically to the Evaluation Advisor and Bhutan Programme Officer by the agreed date (see workplan).

   - **Final Evaluation Report and Evaluation Summary**: Based on comments received on the Draft Evaluation Report, and at the UNCDF HQ evaluation debriefing, the lead consultant will finalise the evaluation and summary, with input from other evaluation team members, as required, and submit the Final Evaluation Report and Summary to the UNCDF Evaluation Advisor within 5 days of the receipt of the minutes of the UNCDF HQ evaluation debriefing, or by the agreed date.

   The Evaluation Team’s contractual obligations are complete once the UNCDF Evaluation Advisor has reviewed and approved the Final Evaluation Report for quality and completeness as per the TOR.
### Annex 1: DSP Logframe

<table>
<thead>
<tr>
<th>Long-term Outcome</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
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</thead>
<tbody>
<tr>
<td>Measurable reduction in spatial disparities of GNH as confirmed by standardized verifiable indicators</td>
<td>Not specified</td>
<td>Household Income ▫ Education ▫ Health ▫ Economic Activities ▫ Physical Facilities ▫ Environment ▫ Transport ▫ Communication ▫ Position of Women ▫ Non-material needs</td>
<td>National Household Survey in 2005 and beyond</td>
<td>Development of Bhutan continues on its current course with no major disturbances</td>
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<tr>
<th>Intermediate Outcome</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
</tr>
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<tbody>
<tr>
<td>Men and women take greater control of their own development planning &amp; implementation management decision making</td>
<td>Not specified</td>
<td>RGoB increases financial resources available for locally defined development activities ▫ Co-operatives, Federations and one national Union formed and functional ▫ Decentralization Policy Implementation Reviews (PIR) ▫ Regular MoHA decentralization monitoring ▫ MoA Co-operatives monitoring reports ▫ Mid-Term Review ▫ Impact Evaluation ▫ Gender studies</td>
<td>Donors switch an increasing portion of their resources from sectorally defined projects to flexible funding mechanisms amenable to being driven by local programming</td>
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<thead>
<tr>
<th>Output 1</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
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<tbody>
<tr>
<td>Sensitized local governance institutions create a local enabling environment for complete decentralization policy implementation (Indicative budget: US$457,600)</td>
<td>Target 1.1: Letter and spirit of CYT/GYT Chathrim are understood and implemented in all participating Dzongkhag.</td>
<td>Public satisfaction on accountability and transparency of GYT and DYT ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring ▫ Annual reports ▫ Sectoral project reports</td>
<td>Appropriate incentive structures and sanctions are in place to induce appropriate behavior among local leaders and civil servants</td>
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<tr>
<td>Target 1.2: National training institutes and training units in Government agencies fully understand decentralization policy and provide training that is supportive of DYT/GYT and co-operatives operations.</td>
<td>Local elected and civil officials establish collaborative relations for regulating local development activities ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring ▫ Annual reports ▫ Sectoral project reports</td>
<td>Public has ready access to decisions made by GYT and DYT</td>
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<tr>
<th>Output 2</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
</tr>
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<tbody>
<tr>
<td>Policies and practices enhancing citizen participation in local planning, decision-making and implementation management are institutionalised as a result of the successful implementation of the DSF</td>
<td>Target 2.1: Structure of DSF is confirmed and codified as a basis for replication nationwide, clarifying the financial, planning, contract management and monitoring processes.</td>
<td>Procedures for 10th FYP preparation provide guidance for participatory area-based planning at DYT and GYT levels within the context of fixed budget ceilings ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring ▫ Annual DSP reports</td>
<td>Implementation supervision is sufficient to avoid instances of serious malfeasance in DSF project implementation</td>
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<tr>
<td>Target 2.2: DSP is fully implemented in at least 40 Geogs, concerning the planning cycle and project completion rates.</td>
<td>Local elected and civil officials establish collaborative relations for regulating local development activities ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring ▫ Annual reports ▫ Sectoral project reports</td>
<td>People are interested to form co-operatives rather than continuing to operate as independent families or to establish private enterprises</td>
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<thead>
<tr>
<th>Output 3</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
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<tbody>
<tr>
<td>Conducive conditions and support systems to create and manage local self-reliant co-operatives are established. (Indicative budget: US$1,945,900)</td>
<td>Target 3.1: Implementing rules and regulatory framework for Cooperatives Chathrim is designed and introduced.</td>
<td>By the end of the project the regulatory foundation appropriate to enable the rapid expansion of a co-operatives movement has been established, tested and modified ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring reports ▫ MoA Co-operatives monitoring reports ▫ Annual DSP reports</td>
<td>People are interested to form co-operatives rather than continuing to operate as independent families or to establish private enterprises</td>
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<tr>
<td>Target 3.2: Cooperatives Chathrim is fully operationalized in DSP participating Dzongkhags.</td>
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<tr>
<th>Output 4</th>
<th>Targets</th>
<th>Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions/Risks</th>
</tr>
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<tbody>
<tr>
<td>Capacity enhanced in MoHA to provide overall management support for RGoB decentralization policy implementation (Indicative budget: US$963,300)</td>
<td>Target 4.1: The capabilities of the Ministry of Home Affairs are strengthened to enable it to manage the DSP programme.</td>
<td>Donors increase their funding levels channelled directly through local level management ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring reports ▫ DYT annual performance reviews ▫ Annual DSP reports</td>
<td>Trained staff are provided the opportunity to utilize their new skills</td>
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<tr>
<td>Target 4.2: The capabilities of Dzongkhag staff are strengthened to manage the project.</td>
<td>DYT and GYT outside the project area adapt DSP lessons with own source and other revenues ▫ Decentralization PIRs ▫ Regular MoHA decentralization monitoring reports ▫ DYT annual performance reviews ▫ Annual DSP reports</td>
<td>Media campaigns and internal study tours are directed at providing access to tools and techniques that can be adapted without extensive external assistance</td>
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<td>Target 4.3: Additional donor cost sharing is obtained to expand the project starting in year 3.</td>
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<td>Target 4.4: Lessons from successful DYT/GYT, DSP and co-operatives operations are documented, disseminated and used by national and local decision makers in support of decentralization throughout the Kingdom.</td>
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### Annex 2: Draft evaluation work plan

<table>
<thead>
<tr>
<th>Dates</th>
<th>Activity</th>
<th>Consultants / # workdays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wed 26 Oct</td>
<td>HQ briefing for Evaluation Team Leader by UNCDF Evaluation Advisor, Technical Advisor covering Bhutan</td>
<td>Team leader: 1 work day</td>
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<tr>
<td>Prior to evaluation</td>
<td>Documentation review</td>
<td>All consultants: 3 work days</td>
</tr>
<tr>
<td>Fri- Sat 4 Nov</td>
<td>Team leader travels from Dar - Bangkok, overnight in Bangkok</td>
<td>Team leader: 2 work days</td>
</tr>
<tr>
<td>Sun 6 Nov</td>
<td>Team leader arrives in Bhutan Rest day</td>
<td>Team leader</td>
</tr>
</tbody>
</table>
| Mon 7 Nov am  | - Meeting with UNDP RR/DRR and Evaluation Review Committee  
- Briefing by DSP Programme Officer and Programme Manager  
- Evaluation Team, DSP Programme Officer and Programme Manager review evaluation work plan, and make any necessary adjustments. | All consultants: 0.5 work days |
| Mon 7 Nov pm  | Internal meeting of Evaluation Team to define evaluation methodology, division of labour, etc                                                   | All consultants: 0.5 work days |
| Tue 8 Nov – Thu 10 Nov | Meetings with stakeholders and partners (Government partners, donors, other key stakeholders) in the capital | All consultants: 3 work days |
| Fri 11 Nov    | National holiday – travel to project sites  
Preparation for evaluation fieldwork                                                                                       | All consultants: 1 work day |
| Sat 12 Nov    | Field visits, interviews with local authorities, community members, beneficiaries                                                              | All consultants: 1 work day |
| Sun 13 Nov    | Rest day                                                                                                                                     | All consultants           |
| Mon 14 – Fri 18 Nov | Field visits, interviews with local authorities, community members, beneficiaries  | All consultants: 5 work days |
| Sat 19 Nov    | Internal discussions on evaluation findings among consultants                                                                                 | All consultants: 1 work day |
| Sun 20 Nov    | Rest day, return to capital                                                                                                                   | All consultants           |
| Mon 21 – Tue 22 Nov | Further interviews/meetings with key stakeholders and partners in the capital                 | All consultants: 2 work days |
| Wed 23 – Fri 25 Nov am | (Wednesday 23 = National holiday)  
- Preparation of presentation for wrap-up meeting  
- Preparation of Draft Evaluation Report                   | All consultants: 2.5 work days |
| Fri 25 Nov pm | Consultation meeting to present key findings and recommendations to the Evaluation Review Committee and UNDP RR, DRR and other staff members | All consultants: 0.5 work days |
| Sat 26 Nov    | Further drafting of the evaluation report, taking into consideration comments from Consultation meeting as appropriate.                             | All consultants: 1 work day |
| Sun 27 Nov    | Rest day                                                                                                                                     | All consultants           |
| Mon 28 Nov – Tue 29 Nov | Further drafting of evaluation report                                                   | All consultants: 2 work days |
| Wed 30 Nov    | Debriefing with UNDP, Evaluation Review Committee and other key stakeholders and partners. Distribution of draft evaluation report at debriefing, and to UNCDF Evaluation Advisor for distribution to UNCDF and other stakeholders for comment. | All consultants: 1 work day |
| Thu 1 Dec     | Team leader departs Paro Airport (11.15am) and travels to Dar  
(meeting with Regional Technical Advisor in Bangkok en route?)                                                                         | Team leader: 1 work day  |
| Fri 2 Dec     | Submission of comments on draft evaluation report by stakeholders and sent to evaluation team.                                                   |                          |
| TBD           | Preparation of presentation for UNCDF evaluation debriefing                                                                               | Team leader: 1 work day  |
| TBD           | UNCDF evaluation debriefing by teleconference                                                                                                 | Team leader: 1 work day  |
| TBD           | Prepare Final Evaluation Report, taking into consideration comments on draft report as appropriate. Submit to UNCDF Evaluation Advisor by DATE TO BE DETERMINED for final approval and dissemination. | Team leader: 2 work days |

**TOTAL**

<table>
<thead>
<tr>
<th>Lead consultant</th>
<th>32 days</th>
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<tbody>
<tr>
<td>National consultant</td>
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Annex 3: Documentation list

Please refer to annex 3 documents for review, for both evaluation teams.
Annex 4: Format for Mid-Term Evaluation Report

Important: To better support use of the evaluation, the report should not exceed 40 pages, plus annexes.

1. **Executive summary**

2. **Purpose of the evaluation**
   - Restate the purpose of a UNCDF mid-term project evaluation
   - How this evaluation fits into project cycle and project planning/review activities

3. **Evaluation methodology**
   - Methods used
   - Workplan
   - Team composition

4. **Background**
   - Country context (policy, institutional environment with relevance to UNCDF programme intervention)
   - Project rationale (local demand, market niche, UNCDF comparative advantage, expected added value of project, partnerships, etc – as foreseen in project document)
   - Project status (implementation, financial)

5. **Evaluation**
   This section of the report is to be structured as per the scope of the evaluation outlined in Section D of the TOR.

4.1 Results achievement
   - Include table listing development and immediate objectives, outputs and indicators. Include end-of-project targets and latest data on target achievements to date.
   - Output achievements (with reference to Annual workplan/MIS, and evaluative evidence)
   - Likelihood of outcome/immediate objective and development objective achievement
   - Other critical issues related to results achievement

4.2 Factors affecting successful implementation and results achievement
   - External factors
   - Project-related factors

4.3 UNCDF strategic positioning and partnerships

4.4 Sustainability of results and exit strategy

4.5 Lessons
   Extract critical lessons at two levels:
   - Project-level lessons
   - UNCDF-wide lessons

4.6 Recommendations
   Make recommendations to improve the project based on the evaluation and lessons.
   Structure according to sections 4.1-4.4, plus any additional recommendations.

**Annexes**
To include, at minimum:
- Evaluation Follow-up Matrix (template provided)
- TOR
- List of people interviewed/focus group discussions, etc
- References
Format for the Evaluation Summary

This is a 4-5-page summary of the Evaluation Report. This is distinct from the Executive Summary, and should serve as a self-contained summary that may be read without reference to the main report. The Evaluation Summary should follow this outline:

1. Project data sheet
2. Background to the project
3. Description of the project
4. Purpose of the evaluation
5. Key findings of the evaluation mission
6. Lessons learned
7. Recommendations of the mission
8. Evaluation team composition