

UNDP MANAGEMENT RESPONSES TO INDEPENDENT EVALUATIONS

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Management response to the Independent Country Programme Evaluation Bhutan

Context, background and findings

1. UNDP Bhutan welcomes this second Independent Country Programme Evaluation (ICPE), carried out mid-2017 as the office began its preparations for the new UN Sustainable Development Partnership Framework (UNSDPF) with Bhutan (2019-2023). The analysis, insight, and recommendations provided by IEO now form an integral part of the Country Offices' Country Context Analysis and the resulting drafting process for the UNSDPF. The ICPE will directly inform UNDP Bhutan's new Country Programme Document, which mirrors the UNSDPF timeline and is set to go to the Executive Board for approval in September 2018.
2. UNDP Bhutan welcomes the positive findings and conclusions of the ICPE, including: UNDP's 'highly relevant' and 'valuable' contributions to Bhutan's sustainable, green, inclusive and climate-resilient growth and disaster preparedness; UNDP's support to gender mainstreaming and women's empowerment for which it is 'broadly recognized'; and UNDP's 'significant contribution' to the strengthening of Bhutan's parliamentary democracy – including supporting governance institutions and communities in exercising the principles of democratic governance and advancing evidence-based decision-making.
3. UNDP Bhutan appreciates the ICPE's recommendations to increasingly consider the connection between vulnerable rural communities in Bhutan – where the challenges of poverty, accessibility, and limited employment opportunities persist – with the nation's rapid trajectory of urbanization the ensuing growth of urban-related environmental and social vulnerabilities. Further analysis of the rural-urban migration and its impacts will therefore inform the next CPD cycle.
4. As Bhutan commences its 'last mile' towards graduation from Least Developed Country status, the recommendations of the ICPE to ensure a sound Theory of

Change for all UNDP's engagement in Bhutan are well-received, including: ensuring a clear understanding of UNDP's role in supporting and or partnering with civil society, the private sector, and youth as agents of sustainable development and poverty reduction in Bhutan; in understanding UNDP's role in the continuing deepening of democracy in Bhutan, including through supporting the nation's advancing decentralization process; and in understanding how – funding constraints notwithstanding -- UNDP may best contribute to national efforts to generate employment and improve incomes and livelihood resilience, particularly, amongst those at most risk of being left behind.

5. With respect to management and operations, UNDP Bhutan welcomes the recognition of the office's consistent improvements in management efficiency. In spite of organizational constraints and a decline in funding from traditional ODA sources, the office achieved the highest delivery to date in 2016. This translates into increasingly cost-effective support to the Royal Government and UNDP's partners in Bhutan.

6. With respect to staff, UNDP Bhutan welcomes the ICPE recognition that while the office's operational structure is at 'its leanest', it is effective, and 'efforts to improve work-life balance have been made'. In reflects the findings of the 2016 General Staff Survey, where UNDP Bhutan ranked consistently in the top three (or higher) performing offices in Asia Pacific against 15 out of 16 indices, including on staff 'Growth and Development', where the office ranks 2nd. On work life balance – UNDP Bhutan ranks 8th in the region, with an improvement of 27 points in this area since 2014 marking the second highest improvement in the region on worklife balance. UNDP Bhutan will continue to seek operational efficiencies, including through the Global Shared Service Centre (GSSC), and will implement its General Staff Survey action plan to help ensure the continuation of this positive trajectory.

6. In the context of Delivering as One, UNDP Bhutan looks forward to further guidance on UN Reform as the basis for determining how to support the improvement of coordination between UN actors in Bhutan, with the aim of pursuing an increasingly strong and integrated programmatic approach, with an increasingly strong monitoring and evaluation system, to supporting Bhutan's progress towards both Gross National Happiness and the Sustainable Development Goals.

Key recommendations and management response

Evaluation recommendation 1. Strategic Positioning: Given the graduation to MIC status, Bhutan Country Office will need to strengthen its strategy to better support Bhutan deal with development challenges ahead.				
Management response: Agreed. As Bhutan progress towards LDC graduation, the Country Office will continue to enhance its capacity for upstream policy work, effective and efficient downstream implementation support, and diversified development finance mechanisms to ensure strategic support to the Royal Government, with a clear theory of change for investing its limited resources, using them where possible to leverage additional resources, and a focus in the next CPD and UNDAF on leaving no-one behind.				
Key action(s)	Time frame	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 In collaboration with the UNCT and non-resident agencies, develop a strategic approach to support the smooth transition of Bhutan from LDC to non-LDC status in the coming UN Sustainable Development Partnership Framework cycle (2019 – 2023).	End 2018	Resident Representative and Deputy Resident Representative		To do
1.2 Develop the new UNSDPF and CPD cycle grounded in leaving no-one behind, with a clear theory of change.	September 2018	Resident Representative and Deputy Resident Representative		Underway
1.3 Develop the capacity of UNDP Bhutan and of our development partners in Bhutan (governmental and non-governmental) on diversified approaches to development finance, in line with the Addis Ababa Action Agenda, with a programmatic focus on development finance approaches and innovations in the current and new CPD.	End 2020 (though ongoing from 2017)	Resident Representative and Deputy Resident Representative		Underway

Evaluation recommendation 2. Sustainable development: UNDP should reconsider the rapid urbanization and consequently growing environmental and social vulnerabilities in its work to address environmental, climate change, and disaster risks, livelihood and employment issues in urban areas. The approach should be comprehensive, increasingly making connections between rural livelihoods and urban systems, including through supporting job creation opportunities.				
Management response: Agreed. UNDP will work towards a more comprehensive understanding of rural-urban migration in Bhutan and its impact on development, and will apply this learning in its programming. Distinct results have been achieved in the urban space and are planned in the pipeline, including on disaster risk reduction, climate adaptation, greening public transport and industry, entrepreneurship, and agricultural value chains and ecotourism investment to support job opportunities and resilient livelihoods, as referenced in the ICPE. These results and planned investments will benefit from a more complete theory of change around UNDP's urban interventions, including to better understand urban poverty to help ensure no-one is left behind. At the same time, given agriculture provides livelihoods for 60% of Bhutan's population, that farmers are the 'least happy' in Bhutan (2015 Gross National Happiness survey), that more women are employed in farming than men (source), and women are overall 'less happy' than men in Bhutan, UNDP will work to improve the livelihood resilience of and opportunities for poor farmers, particularly women, while at the same time supporting the enabling environment for the creation of new employment opportunities.				

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
2.1 Research rural-urban migration in Bhutan and its impact on development	End 2019	Deputy Resident Representative		To do
2.2 Develop and implement a programmatic pipeline related to Bhutan's economic development policy 'jewels', with a focus on livelihood resilience, income generation and the enabling environment for job creation, with special attention to poor and vulnerable groups.	End 2019	Environment and Livelihoods Portfolio Manager		Underway
2.3 Collaborate with and work through CSOs to advance grass-root engagement and to help ensure no-one is left behind.	End 2020	Deputy Resident Representative and CSO Focal Point (Tshering Phuntsho)		Underway

Evaluation recommendation 3. Democratic governance: UNDP should develop a theory of change for immediate- and medium-term governance outcomes to more sustainably contribute to democratic institutional strengthening.

Management response: Agreed. UNDP will develop a Theory of Change for its governance work to immediately inform the new CPD and UNSDPF's development, including to understand UNDP's potential role in Bhutan's decentralization process, in supporting civic oversight of the implementation of Bhutan's Five Year Plans, and in mainstreaming and monitoring SDG achievement.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
3.1 Conduct ToC training for all staff	End 2018	Operations and Quality Assurance Portfolio Manager		Done
3.2 Develop a ToC for governance-related interventions in the next CPD and UNSDPF.	End 2018	Operations and Quality Assurance Portfolio Manager		Done
3.3 Programmatically support SDG mainstreaming in the development of the 12 th Five Year Plan, considering inclusive planning, data, and advocacy/outreach.	End 2019	Environment and Livelihoods Portfolio Manager		Underway

Evaluation recommendation 4. Gender equality and women's empowerment: Given the challenge to fund gender equality and women's empowerment initiatives, when going beyond the expected gender mainstreaming, UNDP should focus its limited resources mostly towards more sustainable upstream contributions. If and when working downstream, UNDP should focus on capacity development in the areas of decision-making and economic development...

Management response: Agreed. In addition to continuing the strong gender mainstreaming focus in UNDP's environment and livelihoods work, UNDP will focus on upstream policy interventions and support as requested by the Government, while at the same time continuing capacity development on women's equality and empowerment (funding permitting), until such a time as Bhutan's performance against gender markers demonstrates improvement. For this to happen, in addition to focusing on women's livelihood resilience, focusing on both understanding and tackling gender-based violence will be imperative.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
4.1 Support the development of the Gender Equality Policy and, as requested, its subsequent implementation during the next CPD	End 2018 and onwards for implementation	Governance and Advocacy Portfolio Manager a.i.	Development is underway; implementation will be supported as requested by the Government and as per financial opportunities to do so.	Ongoing
4.2 Support the generation of better data on violence against women to inform subsequent upstream interventions.	End 2018	Governance and Advocacy Portfolio Manager a.i.		Ongoing
4.3 Ensure no less than gender marker '2' for all projects in the pipeline.	Ongoing	All portfolio managers	Quality Assurance process will be fully applied	Annual
4.4 Continue strong gender mainstreaming with disaggregated results in all green financed projects (GEF, GCF, etc).	Ongoing	Environment and Livelihoods Portfolio Manager	Quality Assurance process will be fully applied.	Ongoing

Evaluation recommendation 5. Funding: UNDP needs to create incentives to ensure the implementation of its new resource mobilization strategy.

Management response: Agreed. Given UNDP Bhutan is embarking on a new programme cycle, under development in 2017/2018, the Country Office will first lead a UN assessment the development finance landscape in Bhutan to further understand how the UN's next cycle of engagement in Bhutan could best be financed and implemented. This analysis will help to better contextualize and situate the CO's resource mobilization strategy in a broader implementation framework, considering diversified means of generating finance, minimizing future expenditure, and maximizing the efficiency of current finances. Resource mobilization and pipeline development targets will be established as a marker of performance; high performance will be incentivized; and capacity development support to partners on development finance will be programmed.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
5.1 Develop a Development Finance Assessment for new UNDAF with a focus on new financing modalities in the next UNDAF, with direct relevance for the UNDP CPD, including on Government Cost Sharing.	September 2018	Operations and Quality Assurance Portfolio Manager		Ongoing

5.2 Develop the capacity of Government and other national partners on development financing in line with the Addis Ababa Action Agenda, with the DFA as a supporting guide.	End 2019	Environment and Livelihoods Portfolio Manager		To do
5.3 Develop the capacity of UNDP staff on innovative financing, private sector engagement, resource mobilization, and subsequently include related indicators in staff's performance agreements.	End 2019	Deputy Resident Representative		To do

Evaluation recommendation 6. Human and Financial Management: UNDP should continue to invest in internal training and mentoring and encourage backstopping roles within and across teams to help improve work and life balance, as well as secondments and in-detail assignments to better prepare staff to deliver more policy advisory services.

Management response: Agreed. The CO will ensure that formalized backstopping arrangements are in place for all staff, supported by a clear Internal Control Frameworks (ICF). Secondments and in-detail assignments will be pursued as finances, workload, opportunity, and institutional rationale advise. In the 2016 Global Staff Survey results, many of earlier staff concerns (from the 2014 survey) were seen to be addressed. This year, the Bhutan CO ranked consistently in the top three (or higher) performing offices in Asia Pacific against 15 out of 16 indices, including on staff 'Growth and Development', where the office ranks 2nd. On the 16th indices – work life balance – UNDP Bhutan ranks 8th in the region, with an improvement of 27 points in this area since 2014 marking the second highest improvement in the region on worklife balance. Management and staff will commit to continuing this strong performance, including by developing and implementing a companion General Staff Survey action plan focusing on areas where the office can continue to grow. The office will also produce an annual learning plan.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
6.1 Formalize staff twinning arrangements in line with 2016 Audit results.	End 2017	Governance and Advocacy Portfolio Manager a.i.		Done
6.2 Revise ICF to support work life balance and in line with 2016 Audit results.	End 2017	Governance and Advocacy Portfolio Manager a.i.		Done
6.3 Develop and implement an action plan in response to the 2016 General Staff Survey results.	Immediate	Deputy Resident Representative and Operations and Quality Assurance Portfolio Manager		Done, with implementation ongoing
6.4 When practical and efficient, and where there is a competitive advantage, UNDP will seek out the services of specialized UN agencies instead of hiring consultants.	Ongoing	Environment and Livelihoods Portfolio Manager And Governance and Advocacy Portfolio Manager a.i.	Where delivery and partnership constraints permit.	Ongoing
6.5 Develop and implement an annual learning	Q1 2018 (annually thereafter)	Operations and Quality		Annual

plan for the office, reflected in staff performance agreements		Assurance Portfolio Manager		
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Evaluation recommendation 7. Coordination: UNDP is uniquely well-positioned to continue to help lead the UN Coordination in Bhutan and the integration among the UN agencies of SDG advocacy, prioritizing the GNH concept and objectives while advancing Sustainable Development Goals focusing on leaving no-one behind. However, this will require implementing the UN Secretary General’s recommendations on repositioning the Un System to improve coordination and to develop a clear Theory of Change for a more focused programmatic approach to Delivering as One... [including with] improved attention to Results Based Management... a strategy to better leverage financing for development... and improve[d] communications within agencies.

Management response: Agreed. UNDP stands ready to support implementation of the SG’s recommendations on UN reform at the appropriate time. This will include determining UNDP Bhutan’s role on SDG integration, on development finance and resource mobilization, and on business operations – and our relationship in the context of reform with other resident and non-resident UN agencies in each of these areas. The new CPD and UNDAF to be finalized in 2018 will incorporate this approach.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
7.1 Support/lead country-level implementation of the SG’s recommendations on UN Reform.	2018 onwards	Resident Representative/Resident Coordinator (depending on the proposed reforms).		Ongoing
7.2 With the Royal Government, lead a collaborative approach to develop Bhutan’s first SDG National Report and its Voluntary National Review to the High Level Political forum	July 2018	Resident Representative and Deputy Resident Representative		Ongoing
7.3 Leverage the DFA findings and recommendations to determine the financing for development approach for the next CPD and UNDAF.	September 2018	Resident Representative and Deputy Resident Representative		Ongoing
7.4 Establish a clear M&E system in the CO, with improved connections between UNDAF and CPD reporting for increased efficiency.	End 2017	Operations and Quality Assurance Portfolio Manager		Done
7.5 Strengthen staff capacity on results based management.	End 2017	Operations and Quality Assurance Portfolio Manager		Done