



Country: Bhutan

Project Title: Support to 12th Five Year Plan Formulation

Project Number: 00101225

Implementing Partners: Gross National Happiness Commission Secretariat and National Statistics Bureau

Duration: Three years **Start Date:** 1 January 2016 **End Date:** 31 December 2018

Managing Agent: UNDP

Participating UN Organizations: UNDP; UNFPA; UNICEF; UN Women; WFP

Brief Description

Since 1961, the Royal Government of Bhutan (RGoB) has embarked on a far-reaching development strategy articulated in a series of five-year national development plans. Those plans have been guided since 1972 by the philosophy and policy direction of Gross National Happiness, introduced by the Fourth King His Majesty Jigme Singye Wangchuck. Bhutan has achieved remarkable progress, with the share of nation's population living below the poverty line effectively cut in half between 2007 and 2012.¹ However, challenges remain in consolidating the accomplishments of the successive plans and of the implementation of the Millennium Development Goals (MDGs) from 2000 to 2015. In 2015, Bhutan has commenced drafting its 12th Five Year Plan to further the pursuit of Gross National Happiness, considering Agenda 2030 and the 17 Sustainable Development Goals (SDGs) therein. This project therefore aims to support the Government in developing a Plan that is results-oriented, inclusive, and financially sustainable, with a focus on data for evidence-based decision-making, to attain and measure progress towards Gross National Happiness (GNH) that also provides measurable SDG results.

To support this objective, this project will work with partners in Bhutan towards three project outcomes:

1. The 12th Five Year Plan is inclusive and results-oriented, mapping progress to advance GNH while also measuring SDG impact where relevant;
2. A data ecosystem is in place in Bhutan that supports evidence-based decision-making;
3. The public and sectors are familiar with the Sustainable Development Goals and how to leverage them as a tool to achieve Gross National Happiness.

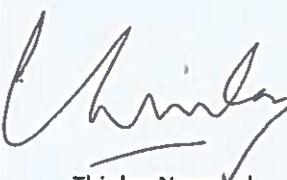
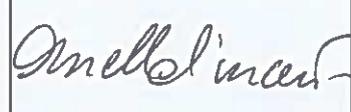
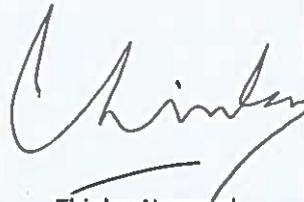
Contributing UNDAF Outcome:

UNDAF Outcome 4: By 2018, governance institutions and communities exercise the principles of democratic governance at the national and local levels with a focus on inclusiveness, transparency, accountability and evidence-based decision making. Indicative Output: Output 4.1: Key national and local institutions strengthen systems for effective public finance management and integrated monitoring of plans and programmes, evidence-based decision making based on harmonized national statistics and information.

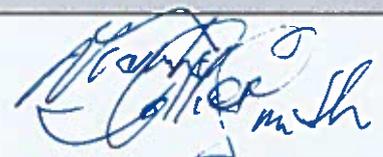
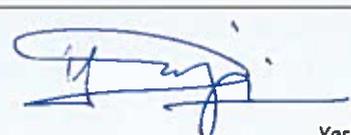
Total resources required	US\$ 587,419.56	
Participating UN Organizations	UNDP:	US\$ 353,050.00
	UNFPA:	US\$ 15,000.00
	UNICEF:	US\$ 70,000.00
	UN Women:	US\$ 20,000.00
	WFP:	US\$ 4,000.00
	RCO:	US\$ 5,000.00
Committed Resources	US\$ 467,050.00	
Unfunded:	US\$ 120,369.56	

¹ Poverty Assessment, 2014, World Bank

Agreed by:

Government	UN	Implementing Partners	
 Thinley Namgyel Secretary, GNHC	 Ornella Lincetto UN Resident Coordinator a.i.	 Thinley Namgyel Secretary, GNHC	 Kuenga Tshering Director General, NSB
Date:	10 October 2016		

Names and signatures of participating UN organizations

UN organizations	
For UNDP:	 Niamh Collier-Smith, Resident Representative a.i.
For UNPFA:	 Yeshey Dorji, Assistant Resident Representative
For UNICEF:	 Rudolf Schwenk, Representative
For UN Women:	 Dr. Rebecca Tavares Representative UN Women Office for India, Bhutan, Maldives & Sri Lanka
For WFP:	 Piet Vachten, Head of Office

I. DEVELOPMENT CHALLENGE

Since 1961, the Royal Government of Bhutan (RGOB) has embarked on a far-reaching development strategy articulated in a series of five-year national development plans, the framework of which is guided by the development philosophy of Gross National Happiness (GNH), introduced by the Fourth King, His Majesty Jigme Singye Wangchuck in 1972. Since then, the country has accomplished remarkable progress in its development trajectory. In 2015, Bhutan was assessed as being eligible for graduation from Least Developed Country (LDC) status. Thanks to a broad-based and inclusive economic growth over the past decade, poverty in Bhutan has declined rapidly. The World Bank's 2014 Poverty Assessment shows that the share of the Bhutan's population living below the national poverty line was effectively cut in half between 2007 and 2012, from 23.2 to 12 percent. Bhutan has nearly ended extreme poverty within the living memory of a generation – to only 2.8 percent of Bhutanese are subsistence poor, living below Nu. 1,157.74 per person per month in 2012². Bhutan has made good progress in extending gains beyond GDP growth. Bhutan has achieved or surpassed targets within five of eight Millennium Development Goals (MDGs). Most notably, Bhutan achieved the target for halving extreme poverty ahead of time, reached gender parity in primary education and significantly reduced maternal mortality rates.

However, multidimensional challenges remain in consolidating the development gains from the implementation of the successive plans and the MDGs. Based on the LDC criteria, the country remains below the LDC graduation threshold on the Economic Vulnerability Index (EVI). The challenges confronting EVI include a small population size, being geographically remote and landlocked, instability of exports of goods and services, high vulnerability to natural disasters and instability of agricultural production. Improving EVI will be vital to reach the graduation threshold. The economy continues to be aid dependent (11.6 percent of GDP), import driven and highly vulnerable with a limited economic base. Economic development and structural change have not translated into a commensurate increase in secondary and tertiary sector jobs. Agriculture continues to employ about 60 percent of the population, mostly in subsistence farming with significantly lower returns. The economy lacks diversification and is predominantly driven by the hydropower sector, which continues to constitute 13 percent of the economy, nearly 50 percent of exports and contributes to 18 percent³ of total revenue, reflecting the reliance on a sector that is unable to absorb the increasing number of educated labour force entrants gainfully and productively. The multi-dimensional poverty index reveals that 12.7 percent of Bhutanese still falls below the threshold in terms of health, education and living standards⁴. Regional disparities persist and poverty in rural areas, at 16.7 percent, is still considerably higher than in urban areas, at 1.8 percent. Furthermore, poverty rates demonstrated a high degree of variation at the sub national level, from less than 0.5 percent in Gasa, to 31.9 percent in Lhuentse.

The current development path is set by the 11th Five-Year Plan (FYP) 2013-2018, whose overarching goal is "Self-Reliance and Inclusive Green Socio-Economic Development", which is expected to "reduce poverty and inequality by enhancing the standard of living and the quality of life of the most vulnerable sections of our society", specifically "targeting the disadvantaged and vulnerable sections of our population so that all sections of our population enjoy the benefits of socio-economic development", while "ensur[ing] the mainstreaming and incorporation of Green or Carbon Neutral strategies in all our activities". The RGoB is on the cusp of drafting its next FYP – the 12th Plan – for the period 2018-2023 and has requested support from the UN.

² Poverty Analysis Report 2012, NSB

³ National Accounts Statistics 2015, NSB

⁴ NSB, 2012.

II. GROSS NATIONAL HAPPINESS AND SUSTAINABLE DEVELOPMENT GOALS

The tenets of Bhutan's overarching long-term development aspiration of Gross National Happiness broadly encompasses the principles and priorities of the Sustainable Development Goals. In the medium term, this is evident from the level of alignment between Bhutan's 16 National Key Result Areas and 15 of the 17 SDGs. A rapid assessment carried out by UNDP in October 2015 of Bhutan's current policy framework – nationally and by sector – illustrates a high degree of alignment with the SDGs at the target level, with 134 out of 143 relevant targets already embedded in the 11th Five Year Plan. Therefore, the challenge which many countries may face – that of lifting the scope and ambition of a government's policy direction – is not necessarily the challenge facing the RGoB. Rather, more nuanced issues come to the fore:

- **Strategic focus:** shifting from a quantitative to a more qualitative development approach that consolidates multi-dimensional development gains;
- **Data:** the availability of quality, accessible, timely and reliable disaggregated data (to ensure “no one is left behind”); as well as adequate statistical systems to measure GNH results and at the same time measure SDG progress;
- **Results-based management:** prioritizing and sequencing in the face of limited financial and human resource capacity, as well as monitoring and evaluating the effective implementation of the Plan;
- **Vulnerabilities:** emerging social challenges and rising inequalities in a context of rapid development: as reflected in the 11th FYP⁵ and the Vulnerability Baseline Assessment carried out by the RGoB in 2015⁶;
- **Coordination:** further advancing through the GNH Commission a robust and coherent coordination framework, across different sectors.

While all SDGs are of importance to Bhutan and will feature in its development planning, RGoB has identified three key SDGs where the nation will showcase results in the medium term. These are:

- **Goal 1:** Ending poverty in all its forms everywhere;
- **Goal 13:** Take urgent action to combat climate change and its impacts; and
- **Goal 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

On Goal 1, Bhutan has made a significant progress, illustrated by achieving a drop in the poverty rate to 12%. However, RGoB is committed to further reducing this to 5% by 2018, in line with efforts to ensure the SDG principle that ‘no one is left behind’. Doing so will require advancing economic growth, which has led to the unravelling of many countries’ environmental resources. Therefore, with a strong focus on SDGs 13 on climate change and 15 on life on land at the same time as advancing growth and reducing poverty, Bhutan can continue to carve its unique path as a prosperous, carbon negative nation, guided by GNH philosophy.

The 12th Plan – and the manner in which it is developed – will therefore advance an inclusive development agenda that addresses the needs of the most vulnerable sections of society and protects the environment. Inclusiveness must transcend the planning stage such that the Plan's implementation is ‘owned’ by each segment of society.

⁵ GNHC, Bhutan 11th Five Year Plan (2013-2018), vol.1, p.222.

⁶ Still in draft at time of prodoc development

III. STRATEGY

Theory of Change

12th Five Year Plan

The timing of the 12th Plan's development is fortuitous, presenting an opportunity for the RGoB to consider these aspects in earnest in the two years before the Plan is due to come into force, and for UN System to support that process at the Government's request. Furthermore, it is equally important to identify the implementation challenges facing five year plans. Improving the institutional framework will involve addressing such challenges to ensure the alignment of central and local government plans, tackle implementation delays, and address issues related to the availability and reliability of data, and related monitoring and evaluation hurdles.

Achieving such results will require the formulation of a dynamic, effective strategic planning framework, with a refined approach to the identification of priorities, which builds on the Mid-Term Review of the 11th Five Year Plan, consolidates Bhutan's gains, and captures qualitative development outcomes. In light of the above challenges, the preparatory phase of the 12th Five-Year Plan should be rigorous, inclusive and extensive.

Lessons learned from the implementation of the 11th Five Year Plan⁷

- ***A quantitative approach focused on infrastructure development.*** The identification of strategic focus areas of successive FYPs has largely been driven by a quantitative approach to development.
- ***Weak data and inadequate systems to measure the effectiveness and inclusiveness of interventions.*** MTR of the 11th FYP has identified data availability and credibility as an issue in monitoring and reporting the Key Performance Indicators (KPIs) as well as analysis and use of disaggregated data and information for decision-making.
- ***Prioritizing, sequencing and alignment.*** Although a notable development in the 11th Plan is the adoption of a Results-Based Planning (RBP) framework and the 11th FYP places special emphasis on monitoring and evaluation (M&E) based on the National Monitoring and Evaluation System (NMES), room for improvement includes prioritizing, sequencing, and alignment both between the Plan's objectives and its programmes, and between the central plan and local development plans.
- ***Emerging social challenges and vulnerabilities.*** While at the national level poverty and social sector indicators have improved significantly, there is a recognition in the 11th FYP that the most vulnerable and isolated sections of the Bhutanese population are often missed out and that their needs shall be addressed by specific targeted interventions⁸.
- ***Highly aid dependent economy.*** Official Development assistance still accounts for 11 percent of GDP and 35 percent of development resources.
- ***Insufficient coordination between key agencies,*** both horizontally across different sectors and vertically between different levels of government.

Data

Given the ongoing Mid-Term Review of the 11th Five Year Plan, the imminent formulation of the 12th Five Year Plan, and RGOB's commitment to localize the SDGs through its national development framework, the time is ripe

⁷ To be further enhanced pending the formal MTR review results.

⁸ GNHC, Bhutan 11th Five Year Plan (20 13-2018), vol.1, p.111.

to assess whether the nation has the information it needs, the means to gather it, and the enabling environment to support its good use for sustainable development results.

The importance of data and statistics for development is stressed in the Mid-term review meeting of the 11th Five Year Plan as well as the December 2014 report of the UN Secretary General's Independent Expert Advisory Group (IEAG) on the Data Revolution for Sustainable Development, "A World That Counts", which suggested measures to close the data gaps and strengthen national statistical capacities while assessing new opportunities linked to innovation, technological progress, and the surge of new public and private data providers.

Bhutan's 11th FYP acknowledges the existence of data gaps with regard to emerging social challenges, including the absence of a centralized agency within the government responsible for catering to the needs of the growing number of vulnerable groups⁹. The UN One programme in Bhutan acknowledges also the criticality of ensuring "that institutional and technical capacity of data management – collection and analysis – and usage (dissemination) is further strengthened at national level" as well as "the need for improved production, analysis and dissemination of gender statistics"¹⁰.

Building on the Vulnerability Baseline Assessment jointly carried out by the RGOB and UNDP in 2015/2016, specific data needs will be mapped and a proposal to bridge gaps developed and implemented. With reliable disaggregated data available, including on the situation of vulnerable groups, Bhutan will not only be able to measure progress towards GNH and the SDGs such that no-one is left behind – placing RGoB's 5% poverty rate target in sight -- but in doing so will have the knowledge necessary to implement legislation and policies protecting the rights and addressing the needs of women, children and marginalized groups in line with international standards and national priorities.

Resources

The Addis Ababa Action Agenda (AAAA)¹¹, signed in July 2015 by Bhutan's Minister of Finance along with decision makers the world's nations, set out or reiterated a number of agreements related to development financing, including:

- The importance of international public finance, including Overseas Development Assistance (ODA), in complementing the efforts of nations to mobilize public resources domestically towards development results.
- The importance of efforts by countries to set nationally defined domestic targets and timelines for enhancing domestic revenue as part of their national sustainable development strategies, with a commitment to support developing countries in need in reaching these targets.
- The importance of engaging with the business community as partners towards achieving public results, leveraging their creativity and innovation and incentivizing their investment in sustainable practices.
- The commitment to strengthen international efforts to address financing gaps and low levels of direct investment faced by landlocked developing countries and many middle-income countries – both categories relevant to Bhutan;
- The importance of encouraging innovative mechanisms and partnerships to encourage greater international private financial participation in these economies.

At the same time, despite the multiple development challenges, Bhutan has made steady progress towards graduating from Least Developed Country (LDC) status, meeting two of the three criteria (GNI per capita and the Human Asset Index (HAI)). Bhutan surpassed the GNI per capita graduation threshold of US\$ 1,242 with its

⁹ GNHC, Bhutan 11th Five Year Plan (20 13-2018), vol.1, p.228.

¹⁰ UNDAF Bhutan One Programme (2014-2018) para. 139-140, p.29.

¹¹ <https://sustainabledevelopment.un.org/frameworks/addisababaactionagenda>

impressive growth performance and a three-year average per capita GNI reaching US\$ 2,277 for the 2011-2013 period. However, the Economic Vulnerability Index (EVI) ranking still poses a challenge for graduation.

It is important to consider the potential impact of Graduation on international financial support received by Bhutan. LDCs are accorded special support measures in the areas of official development assistance, international trade and general support, which, after a smooth transition period, would no longer be available to Bhutan. With regard to ODA, graduation generally impacts modalities and sectoral composition of support more than absolute amounts. Ultimately, a graduated country loses access to multilateral LDC specific funds, such as the Enhanced Integrated Framework on trade-related technical assistance and the LDC Fund under the United Nations Framework Convention on Climate Change. In the area of trade, graduation can imply a loss of duty-free quota-free access to foreign markets, though bilateral agreements such as the India-Bhutan free trade agreement would not be directly affected.

Communications and Advocacy

In order to achieve greater consensus and national ownership as well as awareness over the national development plan including the SDGs, it is important to have a clear communications and advocacy strategy. Therefore, the project will support the RGoB in awareness creation on the 12th FYP and the SDGs.

Approach

Based on this theory of change, the project proposes a multi-year strategic partnership between the UN System and the RGOB to attain and measure progress towards GNH, as enshrined in the Constitution, while at the same time delivering measurable 12th Plan's priorities including SDGs as determined by RGoB. The project attempts to elaborate on how the UN's institutional support will assist the RGOB in three areas:

1. The 12th Five Year Plan is inclusive and results-oriented, mapping progress to advance GNH while also measuring SDG impact;
2. A data ecosystem is in place in Bhutan that supports evidence-based decision-making;
3. The public and sectors are familiar with the SDGs and, and policy/decision makers are comfortable on how to leverage SDGs as a tool to achieve Gross National Happiness.

IV. RESULTS AND PARTNERSHIPS

1. Planned interventions

Project Outcome 1: The 12th Five Year Plan is inclusive and results-oriented, mapping progress to advance Gross National Happiness, while also measuring SDG impact

Output 1.1. The 12th Plan guidelines are formulated inclusively with enhanced strategic focus

The 12th Five Year Plan will start from 1st July 2018 and will end on 30th June 2023. With two and half years remaining before the 12th Plan commences, GNHC has initiated its preparation process. The first outcome of the preparatory process will involve the formulation and circulation of the guidelines for the plan. The guidelines will be developed based on a series of intensive and extensive stakeholder engagements through consultations, and national workshops to discuss the key components of the 12 Plan guidelines. Furthermore, a comprehensive assessment of the 11th Plan mid-term review, results achieved by the country towards the MDGs, targets articulated in the vision 2020 document as well as findings from the Vulnerability Baseline Assessment among others will be taken into account to inform the identification of the strategic focus areas of the 12th Plan, as well as an in-depth situation analysis of the country's latest development trends on the basis of which, the Plan's objectives, strategic thrust areas, key results areas (KRAs), programs and flagship projects will be determined.

An assessment of the strengths and weaknesses of the 11th Plan planning, monitoring and evaluation framework will also be carried out to inform the development of the 12th Plan M&E framework and guidelines produced for the formulation of the Plan.

Output 1.2. Staff capacities are increased on participatory and inclusive planning

Responsible staff both at central and district level will be trained on inclusion and participatory approaches throughout the plan preparatory process, including the use of social accountability tools, as well as results-based management (RBM), target setting, KPI development, planning framework and SDGs mainstreaming.

Output 1.3. The 12 Plan document are prepared and published with KPIs, targets, strategies, potential flagship projects, and a macroeconomic framework

The 12 Plan document will be developed following an inclusive and participatory approach, in order to ensure ownership of the plan. National key result areas (NKRAs) and Dzongkhag Key Result Areas and Thromde Key Result Areas and their KPIs proposed by sectors and local governments and rationale based on the outcome of brainstorming workshop will be established. The 12th FYP will be guided by the strategic framework illustrated below.



The draft Plan documents will be finalized by March 2018 and the final document tentatively by late 2018 after it is approved by the government and endorsed by the Parliament.

Project Outcome 2: A data ecosystem is strengthened to support evidence-based decision-making

Output 2.1. A data ecosystem mapping makes recommendations for data advancements in Bhutan

The project will support the mapping of Bhutan's 'data ecosystem', including official statistical capacity at the national and sub-national levels, legal and policy frameworks on open data, entry points and obstacles for multi-stakeholder engagement on data for implementation and monitoring of the 12th Plan. The initiative will evaluate gaps in data availability and assess the capacity and institutional upgrading required to track the targets of the 12th FYP including the SDGs. SDG indicators will be reviewed while formulating the 12 Plan indicators to ensure the alignment.

Output 2.2. Statistical capacities are enhanced

Based on the findings of the data ecosystem mapping, a comprehensive action plan to build adequate statistical capacities will be developed and implemented, which could potentially include the review of the legal and regulatory framework, institutional support to the National Statistics Bureau (NSB) and/or any other support as identified in the report.

Project Outcome 3: The public and sectors are familiar with the SDGs and, and policy/decision makers are comfortable on how to leverage SDGs as one of the tools to achieve Gross National Happiness.

Output 3.1: A public advocacy campaign is carried out on SDGs and their relationship to GNH

To initiate this work, expert support from the UN will be sought to develop a communications and advocacy strategy.

Output 3.2: Bhutan's Donor Round Table Meeting (RTM) showcases Bhutan's GNH-SDG results to attract investors.

The Donor Round Table meeting, slated to be held in the Spring of 2017, will build the substantive case for investment in Bhutan's development results, leveraging SDG and GNH results, targeting traditional and non-traditional donors.

Output 3.3: An SDG-focused innovation competition is carried out to engage the private sector and entrepreneurs in Bhutan's development planning.

Given reaching the SDGs will involve the collaborative support of all sectors of a nation's society, it is critical to engage the private sector, and to mobilize innovative approaches to meet the nation's development objectives. In line with the recommendations from the communications and advocacy strategy, a competition is proposed to enhance public engagement.

Output 3.4: Sectoral and inter-sectoral awareness sessions are carried out to enhance policy-maker's engagement with the SDGs.

To support each sector in articulating and owning their respective roles in Bhutan's development planning, including understanding how SDGs can be a tool to leverage SDG results, the Project will support sector-specific and inter-sectoral awareness raising sessions.

Expected development change

This Project aims to support the Government in developing a national development plan that is results-oriented, inclusive, and financially viable and sustainable, with a focus on data for evidence-based decision-making, to attain and measure progress towards Gross National Happiness (GNH) that also provides measurable SDG results, and

establishes the mechanisms and information necessary such that no-one is left behind in Bhutan's development progress.

Resources Required to Achieve the Expected Results

The Project budget estimate is articulated at US \$500k over three years, with the potential to grow the resource envelope to implement recommendations that will emanate from the data mapping, resource mobilization strategy, and communications and advocacy plans, and to expand the Project to support sector specific interventions emanating from the process of developing the 12th Plan's development. The project has the potential to be extended across the timeframe of the 12th Plan to capture UN support to elements of its implementation.

Participating UN organizations will provide both technical and financial support towards the Project's objectives, based on their comparative advantages, leveraging capacity in their Country Office as well as additional support where feasible from national, regional and global policy experts.

Partnerships and stakeholder engagement.

The role of the private sector, civil society organizations and the people of Bhutan will be critical in implementing the Project. The preparation of the 12 Plan will be very inclusive with series of bilateral discussions with select individuals, CSOs, private sector, corporations, etc. The RGoB will also have series of intensive and extensive stakeholder consultations. GNHC will also work very closely with theme based working groups to seek their input on strategic focus/priority of the 12 Plan. Similarly, the data ecosystem mapping will be carried out in close consultation with RGOB stakeholders. From the UN side, the initiative will seek to maximize synergies with their ongoing support to RGOB in the area of SDGs and data. UN agencies in Bhutan will also seek partnership with various expert bodies, including those working on civic engagement, participatory approaches, data and innovation, such as the DataShift, Civicus, on citizen-generated data for monitoring and accountability of the SDGs implementation, and the Inter-Agency and Experts Group on SDG Indicators (UN Statistical Division), among others.

Risks and Assumptions

The major risks for the implementation of this Project include:

- That communications on the relation between GNH and SDGs cannot be appropriately articulated, such that SDG results can be understood and measured through the 12th Plan results framework.
- That insufficient finances are mobilized to support an inclusive development process for the plan, or to support the implementation of recommendations emanating from the various studies, strategies and mappings that will be carried out.
- That inconsistencies between the results framework of GNH and SDGs cannot be addressed, and/or that the multiplicity and inconsistency of statistical information produced by different sectors leads to discrepancies.

Assumptions include:

- That SDGs will be used to complement GNH and other policies of the RGOB in achieving the goals/objectives and targets of the 12th FYP. SDGs are one of the critical international goals that will be integrated into the national plan.
- That in articulating its national priorities through the 12th Plan's development, Bhutan will include SDGs in line with earlier Government discussions.
- That Bhutan will adopt internationally accepted standards, methodologies, concepts and definitions in order to overcome data challenges where required.
- That Bhutan is committed to 'leaving no Bhutanese behind', reflected in its desire to reduce the poverty rate from 12% to 5% by 2018.

South-South and Triangular Cooperation (SSC/TrC)

GNHC will share the experiences of the 12th plan preparatory process and the integration of SDGs with particular emphasis on localization through decentralization with other countries as well as learn from other countries on the SDG integration. The plan preparation process will also take into consideration some of the international good practices wherever relevant. Bhutan will also capture its experiences to support other nations advancing their thinking on how to integrate the SDGs into their development planning processes.

Knowledge

The project will produce:

- Between two and four of the following, depending on the final recommendations of the guidelines:
 - Guidelines for preparation of the 12th FYP
 - Overarching 12th Plan document
 - Detailed program document for Sectors – to be determined based on Government’s directives
 - Detailed program documents for 20 Dzongkhags, 205 Gewogs and 20 Thromdes – to be determined based on Government’s directives
- A national report presenting a detailed mapping of the various components of the data ecosystem in Bhutan, addressing systemic challenges and gaps that hamper the full realization of the data revolution, and identify recommendations for follow-up actions.
- A communications and advocacy strategy to support the implementation of SDGs in Bhutan.
- A summary report on Bhutan’s experience of integrating the SDGs into national planning, which could be the basis for Bhutan’s voluntary reporting to the High Level Political Forum (HLPF).

Sustainability and Scaling Up

The Project has the potential to be scaled up to incorporate the implementation of the recommendations emanating from the knowledge documents articulated above to be produced, as well as taking forward specific elements to support implementation of the 12th Plan.

V. PROJECT GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The joint UN project approach offers a more strategic and systematic way for the UN to provide development planning support to RGoB on the 12th Plan, rather than an activity-only based approach as would otherwise be captured through the Annual Work Plan (AWP) alone. The Inter Agency Theme Team (IATT) from the UN on Data and SDGs, chaired by UNDP and comprising representatives from each of the UN agencies, will provide an efficient mechanism of interaction with minimized transaction cost to oversee the UN's support to the Project's implementation, including its monitoring and evaluation. Specific project management arrangements are as follows:

Project Board – Overall decision-making

The Project Board will be the apex program body for approvals and decisions concerning the management and implementation of the project entitled "Support to 12th Five Year Plan". The Board will review and approve annual work plans, provide strategic direction and oversight, review implementation progress and address problems, review and approve progress and evaluation reports, note budget revisions/reallocations and audit reports. A Terms of Reference for the Project Board and its membership is attached as Annex 1.

Managing Agent (UNDP) – Overall Project Management

UNDP will be the Managing Agent for this joint project, with the responsibility of day-to-day management of the Project, and in this capacity will identify a project manager from within the UNDP Bhutan team to run the project on a day-to-day basis. Direct Project costs will be charged to the project at cost for support provided from UNDP. The Managing Agent will facilitate and strengthen coordination; harmonize approaches and quality assurance in close collaboration with the GNHC and National Statistics Bureau, other government Ministries and counterparts and participating UN organizations. The Managing Agent will be tasked with developing a work plan in cooperation with GNHC, NSB and participating UN organizations and coordinate the implementation of the work plan including the preparation of Project Board meetings and serving as the Project Board Secretariat. It is also the responsibility of the Managing Agent to consolidate both the narrative and financial reports of all the participating UN Organizations for submission to the Project Board. The Managing Agent will be fully accountable to the Project Board for satisfactory execution of the entire project in accordance with UN's National Implementation Modality (NIM) and will be responsible for meeting the government obligations.

Component Managers - Component Management

GNHC will provide leadership and strategic guidance for the Plan's formulation (Component Manager Outcome 1), NSB will be responsible for coordinating the data ecosystem mapping in close partnership with relevant stakeholders (Component Manager Outcome 2), while UNICEF will lead and coordinate UN communications and advocacy support (Component Manager Outcome 3).

The Component Managers will be responsible for the implementation of the project, including the mobilization of all project inputs, supervision over consultants. The Component Managers' duties and responsibilities are listed below;

- Overall management of the respective component;
- Supervise and coordinate the production of project outputs as per the project document;
- Ensure the technical coordination of the project;
- Finalize the ToR for the consultants and subcontractors (if relevant);
- Supervise and coordinate the work of consultants;
- Prepare and revise project work and financial plans, as required Government and UN;
- Manage procurement of goods and services under RGOB and or UN guidelines as appropriate and oversight of contracts;

- Ensure proper management of funds consistent with UN and government’s requirements, and budget planning and control;
- Prepare and ensure timely submission of quarterly, mid-term and closure narrative and financial reports to the Managing Agent.;
- Report progress of respective project to the Project Board;
- Oversee the exchange and sharing of experiences and lessons learned with relevant conservation and development projects nationally and internationally; and
- Preparing a detailed annual work plan for the project.

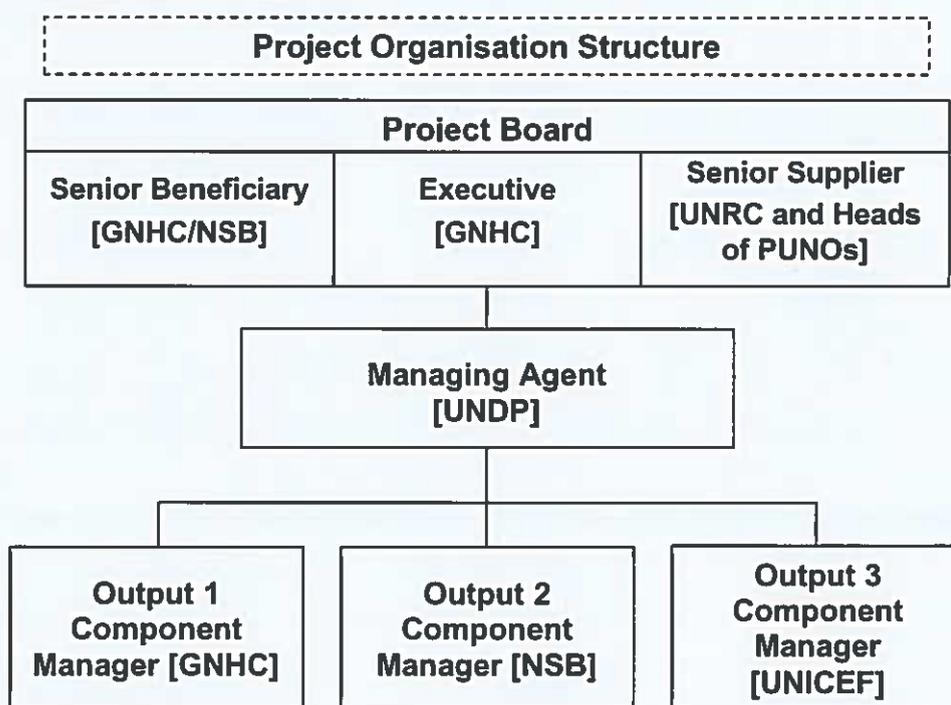
Monitoring

Each participating UN organization is responsible for monitoring its contributions throughout the year. Monitoring should be done against targets and indicators of the Result Framework and progress should be reported in the narrative report. A Monitoring Plan should include roles and responsibilities for monitoring, timing and methodology. Monitoring is linked to evaluation since it facilitates data collection toward targets, though additional data collection and different frameworks for analysis are needed for evaluation.

Reporting

Each Participating UN Organization is responsible for timely and quality submission of both narrative and financial reports to the Managing Agent on a quarterly, half-yearly and annual basis, as required. It is the responsibility of UNDP as the Managing Agent to consolidate both the narrative and financial reports of all the participating UN Organizations for submission to the Project Board.

Governance and Management Arrangements



VI. FUND MANAGEMENT ARRANGEMENTS

Under the parallel funding modality, each UN organization will be responsible for the funding and implementation of the activities where it is slated as the funding source, in parallel with other participating

UN organizations. While the funding will be maintained in parallel, technical collaboration will be pursued on all activities where appropriate. UNDP as the Managing Agent will be responsible for consolidated reporting as agreed upon by the Project Board. Costs incurred by the assigned organization are reflected in the Multi Year Work Plan as the agency's direct costs.

VII. RESULTS FRAMEWORK

Intended Outcome and Output as stated in the UNDAF/Country Programme Results and Resource Framework:

Outcome 4: By 2018, governance institutions and communities exercise the principles of democratic governance at the national and local levels with a focus on inclusiveness, transparency, accountability and evidence-based decision making.

Output 4.1: Key national and local institutions strengthen systems for effective public finance management and integrated monitoring of plans and programmes, evidence-based decision making based on harmonized national statistics and information.

EXPECTED OUTCOMES AND OUTPUTS	OUTCOME AND OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS			MEANS OF VERIFICATION
			Value	Year	2016	2017	2018	
Project Outcome 1: The 12th Five Year Plan is inclusive and results-oriented, mapping progress to advance GNH while also measuring SDG impact								
Outcome 1 Indicator: Proportion of 12th Five Year Plan Key Performance Indicators (KPIs) aligned with SDG targets		GNHC	0	2016	*Targets will be set after the assessment (Output 2.1)			
Output 1.1. 12 th Plan guideline is formulated with enhanced strategic and inclusive focus	1.1.1. Number of 12 th Plan guideline formulated	GNHC	0	2016	1			12 th Plan guideline National consultation workshop
Output 1.2. GNHC staff capacities are increased on participatory and inclusive planning	1.2.1. Number of training and workshops on participatory and inclusive planning	GNHC	0	2016	1	2	3	Training/workshop reports
Output 1.3. 12th Plan documents are prepared and published with KPIs, targets, strategies, potential flagship projects, and a macroeconomic framework	1.3.1. Number of national consultation workshops 1.3.2. 12 th 5 Year Plan Docs finalized and approved by the government and endorsed by the Parliament 1.3.3. 12 th 5 Year Plan Documents published (Yes/No)	GNHC	0	2016	1	2	3	3 National Workshops The draft plan documents will be finalized by March 2018 The final document by late 2018
Project Outcome 2: A data ecosystem is in place in Bhutan that supports evidence-based decision-making								
Outcome 2 Indicator: Proportion of 12th Five year plan Key Performance Indicators (KPIs) with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics		NSB, GNHC	0	2016	*Targets will be set after the assessment (Output 2.1)			SDGs Indicator 17.18.1
Output 2.1. Data ecosystem makes mapping	2.1.1. Number of capacity gap assessments to track the progress of the 12th FYP including the SDGs	NSB, GNHC	0	2016	1		1	Assessments and training report

recommendations for data advancements in Bhutan													
Output 2.2. Statistical capacities are enhanced	2.2.1 Comprehensive action plan to build adequate statistical capacities is developed (Yes/No)	No (0)	2016	1						Yes (1)			
	2.2.2. Number of training/workshops	0	2016										Training/workshop reports and review reports
	2.2.3. Number of institutional reviews	NSB											*Targets will be set after the capacity assessment (Output 2.1) and formulation of the comprehensive action plan (Output 2.2)
Project outcome 3: The public and sectors are familiar with the SDGs and policy/decision makers are comfortable on how to leverage SDGs as a tool to achieve Gross National Happiness.													
Outcome 3 Indicator: Number of SDGs related events organized													
Output 3.1: A public advocacy campaign is carried out on SDGs and their relationship with GNH	3.1.1. Number of communications and advocacy strategies developed	0	2016	1									Communications and advocacy strategies
	3.1.2. Number of public advocacy campaigns held	0	2016	1									Awareness campaign
Output 3.2: Bhutan's Donor Round-Table Meeting showcases Bhutan's GNH-SDG results to attract investors	3.2.1. Number of Donor Round Table Meetings held	0	2016					1					Donor Round Table Meeting
Output 3.3: SDG-focused innovation competition is carried out to engage the private sector and entrepreneurs in Bhutan's development planning	3.3.1. Number of SDG-focused competitions to enhance private engagement	0	2016					1					Reports
Output 3.4: Sectoral and inter-sectoral awareness sessions are carried out.	3.4.1. Number of sectoral and inter-sectoral awareness raising sessions are carried out	0	2016	1				1		1			Reports

VIII. MONITORING PLAN

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Specific risks that may threaten achievement of intended results will be identified and monitor risk using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Lessons Learned	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-	Annually, and at the end of the project (final report)			

	<p>defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.</p>				
<p>Project Review (Project Board)</p>	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>At least annually</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>		

IX. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
Project Outcome 1: The 12 th Five Year Plan to address poverty and inequality is inclusive and results oriented	1.1.1. Consultancy services for preparation of the 12th Plan guidelines through: - Brainstorming Sessions and workshops - Guideline for KPI development and screening - Concept note for flagship projects.	25,000.00	8,750.00		GNHC/UNDP	UNDP	TA	33,750.00
	Output 1.1. The 12 Plan guidelines are formulated with enhanced strategic focus	12,000.00			GNHC	UNDP	Workshop	12,000.00
Output 1.2. Increased capacities on participatory and inclusive planning	1.1.2. Consultation with stakeholders (Government agencies, CSOs, LGs and Private sectors) on the 12th plan guidelines preparation	10,000.00		-	GNHC	UNDP	Printing	10,000.00
	1.1.3 Guidelines printed and circulated	47,000.00	8,750.00	-				55,750.00
	Sub-Total for Output 1.1.							
	1.2.1. Officials are trained on inclusive, participatory planning approaches, results-based management, data management, target and indicator development, planning framework and SDG mainstreaming	1,520.00	10,000.00	10,000.00	GNHC	UNDP	Training	21,520.00

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
	Sub-Total for Output 1.2.	1,520.00	10,000.00	10,000.00				21,520.00
	1.3.1 Sensitization workshops on the guidelines held with ministries, autonomous agencies, districts, gewogs and thromdes (20 Dzongkhags/205 Gewogs, 20 Thromdes), CSOs.	45,000.00	-		GNHC	UNDP	Workshop	45,000.00
	1.3.2 Technical consultations are held on the 12th Plan strategies, frameworks and priority areas	5,000.00	25,000.00			UNDP		30,000.00
Output 1.3. Preparation and publication of the 12 Plan document with KPIs, targets, strategies, potential flagship projects, macroeconomic framework	1.3.2 12th Plan is drafted with							
	• 12th Plan and SDG alignment Matrix		20,000.00		GNHC	UNDP	Workshop/TA	20,000.00
	• Meta Data Template for 12th Plan Indicators(NKRAS/SKRAS)							
	• Flagship Projects							
	1.3.3 12th Plan is edited, proofed, translated		20,000.00	10,000.00	GNHC	UNDP	TA	30,000.00
	1.3.4 Printing of the 12th Plan documents (Vol I, II and III) and circulated.			28,000.00	GNHC	UNDP	TA	28,000.00
	Sub-Total for Output 1.3.	50,000.00	65,000.00	38,000.00				153,000.00
	Project Outcome 2: An adequate data ecosystem is in place evidence-based decision-making							
	2.1.1. Data ecosystem assessment is carried out, reviewing Bhutan's data/statistics institutional, legal, regulatory environment, and existing data monitoring mechanisms	20,000.00	10,000.00		NSB	UNDP	TA	30,000.00

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
		10,000.00				NSB	UNFPA	TA
	2.1.2. Data report produced analyzing gaps, providing recommendations	10,000.00			NSB			
	2.1.3. Baseline assessment of data availability is carried out for 12th Plan KPIs to localize/mainstream SDG indicators.	10,000.00	20,000.00		NSB	UNICEF	30,000.00	
	2.1.4. Indicator workshop held to validate results and finalize KPIs for 12th Plan in line with SDGs		10,000.00		NSB/GNHHC	UNICEF/UNDP	10,000.00	
	2.1.5. Multi stakeholders' consultation workshop data ecosystem	5,000.00	5,000.00		NSB	UNFPA/UNICEF	10,000.00	
	Sub-Total for Output 2.1.	45,000.00	45,000.00				90,000.00	
Output 2.2. Statistical capacities enhanced	2.2.1. Based on data ecosystem mapping, capacity strengthened of prioritized data-stakeholders, including on disaggregated data on gender and vulnerable groups.		20,000.00		NSB	UN WOMEN	20,000.00	
	2.2.2. Institutional support provided to the National Statistics Bureau		10,000.00		NSB	UNDP	10,000.00	
	Sub-Total for Output 2.2.		30,000.00				30,000.00	
Project Outcome 3: The public and sectors are familiar with the SDGs and, and policy/decision makers are								

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
	comfortable on how to leverage SDGs as a tool to achieve Gross National Happiness.							
Output 3.1: A public advocacy campaign is carried out on identified SDGs and their relationship to GNH	3.1.1 Communications and advocacy strategy developed and implemented	9,000.00	10,000.00	5,000.00		WFP/UNICEF/UNDP	TA UNICEF:5000 in 2016 and 5,000 in 2017 WFP: 4,000 in 2016 UNDP: 5,000 in 2017 and 2018	24,000.00
	Sub-Total for Output 3.1	9,000.00	10,000.00	5,000.00				24,000.00
Output 3.2: Bhutan's Donor Round Table Meeting (RTM) showcases Bhutan's GNH-SDG results to attract investors.	3.2.1 Donor Round Table Meeting organized and held	-	50,000.00	-		UNDP	Meeting	50,000.00
	Sub-Total for Output 3.2	-	50,000.00	-				50,000.00
Output 3.3: An SDG-focused innovation competition is carried out to engage the private sector and entrepreneurs in Bhutan's	3.3.1 National competition organized and held to engage youth, private sector		10,000.00	10,000.00		UNICEF	Advocacy/Competition UNICEF: 5,000 in 2016 and 10,000 in 2017 UNDP: 5,000 in 2017	20,000.00

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
		development planning.						
	Sub-Total for Output 3.3	-	10,000.00	10,000.00			20,000.00	
Output 3.4: Sectoral and inter- sectoral awareness sessions are carried out to enhance policy- maker's engagement with the SDGs.	3.4.1 Series of SDG awareness/sensitization workshops held, sectoral and inter-sectoral.	5,000.00	8,000.00			RCO/UNDP Workshops RCO: 5,000 in 2016 UNICEF: 5,000 in 2017 UNDP: 3,000 in 2017	13,000.00	
	Sub-Total for Output 3.4	5,000.00	8,000.00	-			13,000.00	
Direct Costs (indicative only, charged at cost)	Management support: Travel, monitoring, equipment and other operating expenses	3,000.00	3,500.00	3,500.00	UNDP	Travel	10,000.00	
	Policy advisory, communications, knowledge management, development effectiveness, procurement (as required, at cost)	28,537.00	28,600.00	28,700.00	UNDP	DPC	85,837.00	
Indirect Costs	General Management Services (8%)	12,004.56	15,108.00	7,200.00	UNDP	GMS	34,312.56	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (US\$)			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount (US\$)
			Sub-Total for Project Management	43,541.56		47,208.00	39,400.00	
TOTAL		201,061.56	283,958.00	102,400.00	-	-	587,419.56	
	UNDP's committed resources: US\$ 353,050.00, which includes US\$ 85,837.00 for DPC	123,500.00	200,850.00	28,700.00			353,050.00	
	UNICEF's Committed fund:	25,000.00	45,000.00				70,000.00	
	UNFPA's Committed fund:	15,000.00					15,000.00	
	WFP's committed fund:	4,000.00					4,000.00	
	RCO's committed resources:	5,000.00					5,000.00	
	UN WOMEN's committed resources:		20,000.00				20,000.00	
	Unfunded amount:	28,561.56	18,108.00	73,700.00			120,369.56	

X. ANNEXES

A. Terms of Reference for Project Board (PB)

A1. Introduction

The Project Board (PB) will be the apex program body for approvals and decisions concerning the management and implementation of the project entitled "Support to 12th Five Year Plan". It will provide direction and guidance to the project team to ensure that implementation is done as per the intent of the Project Document, in consistence with the policy and strategic contexts set by the RGOB and in line with agreements with UN agencies.

A2. Mandate and Scope

The PB will provide decisions and guidance on the overall priorities of the project in accordance with the project document. Where deviations from the project document are considered necessary, the PB can make relevant decisions. It, however, cannot alter overall project objectives, but may recommend changes in immediate objectives, outputs and project management.

A3. Composition

The PB will comprise of the following members. The Secretary/Director, GNHC, will chair the PB. The PB is expected to meet twice a year and more, if need arises.

1. Secretary/Director, Gross National Happiness Commission
2. UN Resident Coordinator
3. Component Manager Outcome 1, GNHC
4. Component Manager Outcome 2, National Statistics Bureau
5. Component Manager Outcome 3, UNICEF
6. Heads of UN Participating Organizations

The primary task of the PB will be to set up policies and provide guidance and direction for the Project. Specific responsibilities of the PB are the following:

- It will provide overall policy guidance and direction to the implementation of the project and facilitate effective communication and decision-making;
- Monitor project implementation to ensure that it remains in-line with the approved project document and financial rules and regulations of UN and RGoB;
- Review quarterly/half yearly/annual progress reports, and provide direction and recommendations to ensure that agreed deliverables are produced satisfactorily according to plans;
- Ensure establishment of Project Management Unit for effective and successful coordination and implementation of the project activities;
- Review and approve annual work plan and budget drafted by Project Management Unit;
- At the end of project, assure all project deliverables have been produced satisfactorily;
- Review and approval final project progress report, including lessons learned; and
- Notify operational completion of the project to GNHC and UN.

