



UNITED NATIONS DEVELOPMENT PROGRAMME
PROJECT DOCUMENT
Bhutan



Project Title: Gender Responsive NDC implementation in Bhutan
 Project Number: 00098608
 Implementing Partner: National Environment Commission and National Commission for Women & Children
 Start Date: January 2019 End Date: June 2021
 Inception Meeting date: January 2019

Brief Description

The Royal Government of Bhutan committed in 2009 to remaining carbon-neutral by ensuring that its forests sequester more carbon than is emitted through other actions. This commitment was reiterated in 2015 in Bhutan's intended Nationally Determined Contribution to the Paris Agreement as well as the 11th and 12th year plans. The objective of the 12th FYP (2018-23) is to achieve a *“Just, Harmonious and Sustainable Society through enhanced Decentralization”*, which will be achieved by improving the enabling environment for the private sector, recognizing the role of civil society, understanding Bhutan's data ecosystem, economic diversification through the promotion of the “five jewels” (hydropower, agriculture, cottage and small industries, tourism, and mining), and regional cooperation. Three priority Sustainable Development Goals (SDGs) are to be showcased for medium-term results: SDG 1 on ‘No Poverty’ (identified on the basis of urgency to address the issue); SDG 13 on ‘Climate Action’ (identified on the basis of Bhutan's commitment to its citizens and the global community to remain carbon neutral for all times); and SDG 15 on ‘Life on Land’ (identified on the basis of its rich biodiversity and ecosystem services).

Building on UNDP's extensive foundational work supporting low-emission development and climate change finance, the project will support the Royal Government of Bhutan to achieve transformational change by using NDC implementation as a mechanism to scale up investments in inclusive, gender-responsive climate actions that help achieve NDC targets and, through this, deliver on the Paris Agreement and the SDGs, in particular Goal 5 Gender equality and Goal 13 Climate action. Specifically, the project will address barriers to risk-informed, climate-friendly investments and a diversified green energy mix that will deliver carbon-neutral development within an integrated governance framework. To the extent possible, investments will create and promote opportunities for SMEs, youth, and women to participate in NDC priority actions and reduce inequalities for vulnerable groups.

Contributing Outcome (UNSDPF/CPD, RPD or GPD):
 By 2023 Bhutan's vulnerable communities & its economy are more resilient to climate induced and other disaster and biodiversity loss
 Indicative Output(s):
 1. Integrated governance enhanced to deliver NDC outcomes
 2. Evidence-based design and planning of mitigation actions delivered
 3. Capacities developed to design climate-friendly investment opportunities, address investor risk, and blend and catalyse climate finance
 4. Enabling environment enhanced for private sector engagement

Total resources required:	
Total resources allocated:	Donor: 802,500
	Government:
	In-Kind:
Unfunded:	

Agreed by (signatures)¹:

Government (GNHC)	UNDP BHUTAN	Implementing Partner (NEC)	Implementing partner (NCWC)
Print Name:	Print Name:	Print Name:	Print Name:
Date: 4/1/2019	Date: 4 Jan 2019	Date: 4.1.19	Date: 4-1-19

I. DEVELOPMENT CHALLENGE

Bhutan is a small, mountainous and landlocked country in the eastern Himalayas, bordered to the south, east and west by India and to the north by China. The Royal Government of Bhutan (RGoB) applies a philosophy of 'gross national happiness' (GNH) to promote a balanced approach to sustainable development that encompasses good governance, environmental conservation, cultural preservation and community vitality, in addition to traditional socioeconomic indicators.

The economy has grown at an average of 5.59 percent over the past four years (GNHC 2018). This is mainly attributed to the tripling of the country's hydropower capacity, construction in public infrastructure and private investment in housing and hotels, as well as expansion of tourism. Agriculture is the main source of livelihood for more than half the population, but contributes less than one-fifth of Gross Domestic Product (GDP) at 16.52%. With a population of approximately 727,145 people (PHCB 2017), and GDP per capita increased from USD 2464 in 2013 to USD 2879 in 2016 and is projected to grow to USD 3542 by 2018 (GNH 2018). Bhutan today is preparing for graduation from Least Developed Country status in 2023.

Bhutan has made significant achievements in reducing both income and multidimensional poverty during the 11th plan period (2013-2018). Income and Multidimensional poverty have reduced remarkably from 12% and 12.7% in 2012 to 8.2% and 5.8% respectively (GNH 2018). However, despite Bhutan's remarkable progress in poverty reduction, large inequalities remain across urban/rural and geographical regions of the country. In rural areas, 11.9 (GNHC 2018) percent of the population lives in poverty, and is predominantly engaged in subsistence agriculture, with low levels of productivity and meagre capacity to generate livelihoods. Unsurprisingly, rural poor are also among the most vulnerable to environmental shocks, including natural disasters, which will be increasingly exacerbated by the impacts of climate change.

Youth remains a key target group, as around 19.76 percent of the total population is between 15-24 years of age. The RGoB in its 12th Five Year Plan (FYP) identifies unemployment as an important challenge, due to the increasing rates of youth unemployment (10.6%). In addition, young women have higher unemployment rates at 12.9 percent compared to men at 9.2 percent (PHCB 2017).

The rural urban flow of migration is the highest accounting to 21.7% (PHCB 2017) and the primary reasons for migration is family move, followed by employment and education. The trend of migration from rural to urban areas is creating myriad pressures on urban areas such as increasing air pollution, traffic congestion and solid waste, as well as decreasing water quality and water scarcity, all of which have impacts on human health and happiness.

Women in general and mountain women face the burden of climate change disproportionately (Royal Government of Bhutan and UNDP, 2011). Women play many roles, as farmers, natural resource managers, caregivers, and household managers and in these roles, women are constantly forced to cope with the heavy burden of household work combined with farm production and livestock raising. In addition, with the high rate of men migrating for economic reasons, women are often burdened in ensuring the livelihood security of household members and having to cope with disasters resulting from climate change impacts.

In line with the development philosophy of GNH, the focus on environmental sustainability has always been both the primary objective and a starting point for national development for the RGoB. Article 5 of the Constitution of the Kingdom places on every individual Bhutanese the responsibility to be the trustee of the Kingdom's natural resources and the environment and to contribute to the protection of the natural environment. As a significant part of the Eastern Himalayan global

biodiversity hotspot, the country has uniquely pledged within its constitution to protect at least 60 percent of the forest in perpetuity. According to the most recent 'State of the Environment Report' (2016), Bhutan today has 80.89 percent of total land area under forest cover and more than half of the country's landscape (51.40%) is under protected areas.

Despite the significant progress that has occurred in the conservation sector (e.g. extensive system of national parks networked by biological corridors), human pressures on protected landscapes -- especially in the biological corridors and adjacent areas outside the Protected Areas -- are increasing. These include the conversion of arable land and forests into other land uses, such as accelerated construction of farm roads, electricity transmission/distribution lines, industries and urbanization. There is also evidence that certain forest areas are being degraded because of over-harvesting and/or targeting of high-value timber of commercially important species ("creaming"), as well as rapid and poor road construction methods employed in geologically fragile areas.

A major achievement toward addressing climate change at scale is the international agreement on climate change that was adopted at the UNFCCC Conference of Parties in Paris in December 2015 and officially entered into force on 4 November 2016. Known as the Paris Agreement, this was the first-ever universal, legally binding climate deal that set out a plan to put the world on track to avoid dangerous climate change by limiting global warming to "well below 2°C" starting from 2020. The Paris Agreement built upon submissions from 189 countries for national climate pledges known as Intended Nationally Determined Contributions (INDCs). NDCs reflect a country's ambition for reducing greenhouse gas (GHG) emissions, considering domestic circumstances and capabilities, and the majority have also included adaptation goals. Under the provisions of the Paris Agreement, countries are expected to submit updated and more ambitious NDCs every five years. Bhutan's NDC, therefore, will become the main vision by which national, subnational and sectoral climate change policies and actions are aligned with national development priorities and the Sustainable Development Goals (SDGs).

The RGoB already committed in 2009 to remaining carbon-neutral by ensuring that its forests sequester more carbon than is emitted through other actions (RGoB, 2009). This commitment was reiterated in 2015 in Bhutan's INDC (now an NDC after being ratified by the Parliament in 2017) and is also reflected in the 11th and 12th Five Year Plans.

Bhutan is a net sink for greenhouse gases (GHGs) largely due to the huge areas of forest cover, low levels of industrial activity and almost 100 percent electricity generation through hydropower. Bhutan's forests sequester around 6.3 million tons of CO₂ while annual emissions in 2000 were only 1.6 million tons of CO₂ equivalent (tCO₂e) (INDC 2015). Nonetheless, GHG emissions are showing a rapidly rising trend in key sectors such as industry, transport and waste. Between 1994 and 2000, emissions from energy grew 21.4 percent a year, mostly due to transport and industry growth (SNC, 2011). Under a "business as usual" scenario, emissions from industrial production in Bhutan will double or even triple between 2017 and 2030 – largely due to the construction of four new industrial parks over the next five years (NEC 2017a). Meanwhile, vehicle numbers have grown 10-12 percent on average annually since 1997 (except for 2013-14 as a result of a temporary ban on the import of new vehicles) (NEC 2017b). Emissions from solid waste also increased between 1994 and 2000 by 247.54 percent from 0.047 million tCO₂e to 0.16 million tCO₂e (INDC 2015).

Finally, while Bhutan has huge natural resources for energy, including hydropower, solar, wind and vast forest cover, energy requirements are currently met mostly from biomass and hydropower, which has higher risks in the event of disaster as well as from the growing concern from adverse impacts due to climate change. Therefore, the RGoB is keen to enhance energy security through the diversification of alternate, renewable energy sources (solar, biogas, wind, etc) and increased energy efficiency, which can reduce GHG emissions and improve livelihoods.

II. STRATEGY

The goal of the 12th FYP (2018-23) is to maximize GNH, and the objective is to achieve a “*Just, Harmonious and Sustainable Society through enhanced Decentralization*”. This is to be achieved by improving the enabling environment for the private sector, recognizing the role of civil society, understanding Bhutan’s data ecosystem, economic diversification through the promotion of the “five jewels” (hydropower, agriculture, cottage and small industries, tourism, and mining), and regional cooperation. Specifically, the RGoB has identified the need to maintain a healthy eco-system and advance carbon-neutral, climate-resilient development, while also ensuring water, food and nutrition security. Furthermore, three priority SDGs are to be showcased for medium-term results. These are SDG 1 on ‘No Poverty’ (identified on the basis of urgency to address the issue); SDG 13 on ‘Climate Action’ (identified on the basis of Bhutan’s commitment to the global community to remain carbon neutral at all times); and SDG 15 on ‘Life on Land’ (identified on the basis of its rich biodiversity and ecosystem services).

Bhutan’s NDC reiterates the RGoB’s commitment to remain carbon neutral and maintain current levels of forest cover. A number of strategies, plans and actions are also outlined for low-emission sustainable development in the sectors of: sustainable forest management and protection of biodiversity, transport, waste management, industry, energy, agriculture, and human settlements.

Significant groundwork has been undertaken for achieving this objective through the UNDP *Low Emission Capacity Building (LECB) Project* (2012-17), funded by the European Commission and the governments of Germany and Australia. Bhutan was one of 38 countries participating in this global programme. Among the key results of the LECB project in Bhutan are:

- national forest inventory and GHG inventory data improved and systematically archived;
- nationally appropriate mitigation actions (NAMAs) for solid waste and transport were developed and submitted for financing;
- INDC was prepared through a highly consultative process and Parliamentarians sensitised on the Paris Agreement and the INDC prior to its ratification in 2017;
- National Environment Commission, the Ministry of Economic Affairs, the Ministry of Works and Human Settlements, and the Ministry of Information and Communication supported to prepare low-emission development strategies (LEDS) for industry, human settlements, energy efficiency, and transport respectively that “unpack” Bhutan’s NDC priorities and help to address the impacts of rapid urbanisation. The LEDS were all designed in close consultation with the private sector and other key stakeholders;
- intelligent transport system designed for Thimphu, and various measures piloted such as: e-tickets and smart cards for buses and a passenger-friendly bus stop;
- update of National Transport Policy;
- Gender Capacity needs assessment conducted and GAP and GAM developed
- ongoing capacity building of national experts including: two trainings of 74 National Forest inventory experts (in 2013 and 2014), one training of 29 core NFI field personnel (2014), and a training on GHG inventories, LEDS and NAMAs for the project’s Technical Working Groups of 35 experts (2014, Asian Institute of Technology, Bangkok).

Nonetheless, challenges remain. A critical issue is to access sufficient financing to advance all the priority actions identified in the NDC and to address key barriers to implementation. For example, many private heavy industry firms in Bhutan have taken steps to improve efficiency and reduce waste but face a chronic scarcity of capital. The industry LEDS therefore recommends the use of green loans or the establishment of a revolving fund mechanism to provide more favourable loans to stimulate investment in cleaner technologies. The rate of return can be improved by strengthening

the enabling environment to reduce investor risks (actual or perceived). Advances in NDC implementation should also be gender-responsive and ensure no-one is left behind.

This project will build directly on the LECB project outputs and advance select priority measures for NDC implementation. Four key outputs will be pursued:

- *Integrated climate governance:* The cross-cutting nature of climate change requires an integrated development response and increased ownership of a broad range of stakeholders in finding solutions. This output will promote an inclusive whole-of-government approach that brings together relevant lines of ministries and parliamentarians at national and/or sub-national level as well as non-state actors (private sector representatives, NGOs, youth leaders, vulnerable communities, academia, and other development practitioners) to work in a coordinated and adaptive response to climate change. Through this output, the RGoB can address issues of fragmented environmental government policies, weak coordination mechanisms, and inadequate integration of gender and climate change risks into local development plans and strategies. The RGoB will be supported to build upon existing national structures to define a streamlined, coordinated and gender-responsive approach to NDC implementation.
- *Evidence-based planning, design and implementation:* While the carbon-neutral target provides a national collective vision for sustainable development, decision makers need evidence-based strategies to deliver this target through mitigation actions that generate livelihoods and investments. Under this output, line ministries will be supported to advance gender responsive, inclusive, technically-sound priority NDC mitigation actions that can attract private sector investments. Bhutan's high urbanisation rate (the percentage of people living in urban areas is estimated to rise to 50 percent by 2020) is creating particular stresses in terms of urban planning, air pollution, water quality and scarcity, traffic congestion and waste management. Therefore, mitigation actions that can target these interconnected pressures will be a priority.
- *Capacities developed to design climate-friendly investment opportunities:* The transformation of economies to create a long-term, stable investment environment for delivering action at scale requires enormous new investments as well as shifts in existing finance flows. Under this output, the RGoB will be supported to blend and catalyse climate finance sources and apply gender-responsive policy and financial levers to scale up climate action and create livelihood opportunities and a more vibrant private sector.
- *Public-Private Partnerships:* Business can make its contributions to NDC implementation most effectively within an overall policy framework that addresses investment barriers and risks, is transparent and predictable, and encourages competitive market-based options and innovations. The engagement of private entities is critical to ensure that private incentives are fully aligned with a country's sustainable development vision.

The result will be an increase in risk-informed, climate-friendly investments and a diversified green energy mix that will deliver carbon-neutral development within an integrated governance framework. To the extent possible, investments will create and promote opportunities for SMEs, youth, and women and reduce inequalities for vulnerable groups. In doing so, the project will be fully in line with the UNDAF (2014-18) that seeks to enhance sustainable and "green" economic growth that is equitable, inclusive, resilient to climate change and natural disasters, and promotes poverty reduction and employment opportunities, particularly for vulnerable groups.

The project features a strong gender dimension that builds upon the results of a 2016 UNDP assessment of the extent to which the NDCs recognized and/or integrated gender equality (UNDP 2016). The analysis found that of the 161 INDCs submitted at that time, only 40% (65 countries) made at least one reference to gender equality and women's empowerment, and primarily related to the role of women in adaptation, but without specific mention of key sectors or women's roles. Only a few countries recognized the role of women in mitigation. The UNDP report identified seven entry points for comprehensively integrating gender considerations into NDC planning and implementation, which will be reviewed in the context of this project. The entry points identified in the UNDP report are:

- 1) *Analyse the national context* for gender trends, sex-disaggregated data and differing situations of women and men to identify key sectors, strategies and mechanisms for policy and action;
- 2) *Assess institutional gender equality frameworks and coordination mechanisms*, including the integration of women's leadership and inputs into national policy, as well as into approaches to inter-ministerial coordination and cooperation;
- 3) *Integrate gender equality into climate change policy and planning instruments and processes*, as well as other national policy and planning instruments;
- 4) Engage in *multi-stakeholder consultations* with women and women's organizations, as well as a range of stakeholder groups at local, subnational and national levels;
- 5) Support *capacity development* of different women's groups, including communities, women's organizations, and government officials at the national and subnational levels;
- 6) Use of sex-disaggregated data and indicators where appropriate in *monitoring and evaluation*; and
- 7) Design *gender-responsive climate finance mechanisms* and innovative climate financing tools that target women's grassroots enterprises and sustainable development outcomes.

The approach to project implementation builds upon the experience and lessons learned from the global LECB Programme, as well feedback from 2 global and 15 regional Technical Dialogues that UNDP and UNFCCC, in collaboration with other development partners, have organised to exchange experiences on NDC design and implementation. These key lessons include:

- NDC implementation requires a strong institutional framework that moves climate action beyond the sole purview of ministries of environment toward more inclusive approaches with clearly defined inter-ministerial coordination mechanisms, roles and responsibilities, as well as engagement of non-state actors.
- Lead sectoral ministries and sub-national authorities must be empowered to lead technical implementation of NDC actions and local capacities promoted for this purpose.
- There is a lack of recognition of the important roles that women can play in both climate change adaptation and mitigation that presents a needless barrier to successful national climate action, not to mention full achievement of the SDGs.
- National ownership is instrumental for ensuring that human, technical and institutional capacities are built and sustained within partnering government agencies and other national champions. Sustained impact can only be achieved through a country-driven process in which governments and other key national stakeholders are empowered to identify and implement climate change actions in a coherent manner vis-à-vis national/sectoral policies and the SDGs.
- Longer-term policy vision and an enabling environment that encourages private sector investment are key success factors in leveraging public finance to scale up private finance.
- There are already important foundations and experiences in-country upon which NDC implementation can build – ranging from NAMAs, CDM projects and LEDS, to existing monitoring and reporting systems and processes.

This project recognises from these lessons that the implementation of truly ambitious NDCs requires strengthened legislative and institutional frameworks to integrate and implement long-term strategies for carbon-neutral development and to improve understanding of where and how to access, catalyse and redirect scarce public resources to leverage private sector investments and address market barriers. Addressing these concerns, while also ensuring that no-one is left behind, will require a coordinated approach that engages not just the whole of government at national and lower levels, but also ensures a mechanism for engaging key stakeholders from the private sector, parliamentarians, civil society, media and academia, all of whom have key roles to play.

The key assumptions of this project are that:

- political support for NDCs and the Paris Agreement does not diminish and that the government's vision for development can be fully aligned with the carbon-neutral target and the SDG agenda;
- the RGoB is willing to engage a broad range of stakeholders, including CSOs and the private sector, in a whole of government approach to NDC implementation and to address barriers to institutional collaboration and gender equality;
- the financial sector and investors will be interested in supporting government-promoted NDC mitigation actions;
- the private sector understands that engagement in NDC implementation will deliver long-term security for a wide range of inter-locking business interests.

III. RESULTS AND PARTNERSHIPS

Expected Results

This project will support the RGoB to achieve its vision of carbon-neutral, resilient and sustainable transformational development. The NDC will be used as a tool for scaling up public and private investments in climate change efforts that recognises that the empowerment of women is integral to success. Four outputs are proposed, within the framework of the overarching global UNDP NDC Support Programme, to achieve these objectives. As noted earlier, these outputs will build directly on the key results of the Low Emission Capacity Building project that will be completed in 2017.

Output 1: Integrated governance enhanced to deliver NDC outcomes

Under this output, the project will mobilize the support of existing groups such as the mainstreaming reference groups (MRG) at the central level and all 20 districts, and the Committee for Climate Change Coordination (C4) to create awareness on gender-responsive NDC implementation and strengthen NDC alignment to national development targets and the SDGs. The government will be capacitated to enhance national systems to deliver a coordinated, inclusive approach to NDC implementation that engages the whole-of-government at national and sub-national level, as well as non-state actors (private sector representatives, CSOs, women's and youth leaders, vulnerable communities, academia, and other development practitioners). Building on existing efforts budget processes strengthened to deliver on NDC commitments and to guide and ensure climate change expenditures are incorporated in sectoral programming.

As a result of this work, gender and climate change will be better integrated into sectoral strategies, programmes, and budgets, and fragmented policies addressed. Institutional coordination and budgeting processes will be strengthened for NDC implementation and gender-responsive recommendations introduced. Key government agencies will be capacitated to improve gender and climate change mainstreaming and measurement of results.

1.1: Institutional frameworks for NDC implementation formalised and strengthened, including gender-responsive approaches

Activities:

- 1.1.1: Tool/checklist/ Indicators developed (based on gender analysis recommendations from output 2.1) for mainstreaming gender and other cross cutting issues into NDC design and implementation processes.
- 1.1.2: Institutional frameworks and coordination mechanisms strengthened to integrate gender into NDC planning and implementation processes by applying gender-NDC mainstreaming tool/checklist (based on gender analysis recommendations from output 2.1), working through the C4, gender focal points and Mainstreaming Reference Group (MRG) at national and local levels;
- 1.1.3: National Climate Change Policy reviewed for gender-responsiveness and action plan supported for gender responsive implementation;
- 1.1.4: Gender Focal Points in relevant agencies, MRG at the national and local levels, C4 and key stakeholders engaged and capacitated to mainstream gender and climate change into sectoral policies, plans and programs and align with SDGs

Output 2: Evidence-based design and planning of mitigation actions delivered

Under this output, the RGoB will advance NDC priority activities that support its carbon-neutral target, building on the outputs of the LECB project. Line ministries will be supported to engage with the private sector to advance technically sound and financially viable priority NDC mitigation actions in the industry, waste, transport and energy efficiency sectors by implementing gender-responsive mitigation actions that demonstrate the business case for private sector investment while also delivering sustainable development benefits. Manufacturing industries are growing in Bhutan and require urgent actions for managing emissions and decoupling GHG emission growth from GDP growth. In addition, the population of Bhutan is also urbanising at a rapid rate and 50 percentage of the population is expected to be living in urban areas by 2020 In this regard, opportunities for low-carbon human settlements, particularly in urban areas, need to be targeted (in the areas of energy-efficient buildings, waste management, urban mobility and green areas). Barriers to women's effective participation in prioritized NDC actions and strategies will be identified and an action plan defined to address inequalities and encourage inclusive NDC implementation.

As a result of this work, recommendations for addressing gender across a set of key entry points for NDC implementation will be developed. Analysis will be undertaken to finalise priority actions for greening industry and the waste sector. Mitigation demonstration projects will be undertaken – with gender-responsive targets – to showcase the business case for scaling up mitigation efforts in the Industry and waste sectors.

2.1: Gender analysis conducted

Activities:

2.1.1: Conduct in-depth analysis of gender issues/gaps in relevant policies and strategies of select priority NDC sectors (Agriculture, Waste, Industry, Transport, and Health and water) and develop gender action plans for integration into the NDC institutional framework and sectoral NDC plans of the priority sectors

2.2: Implement key recommendations/analyses identified in sectoral NDC roadmaps to address technical barriers to inclusive implementation of NDC priority actions;

Activities:

- 2.2.1: Review grid emission factors in context of Bhutan's overall carbon-neutral target to identify most appropriate to attract climate finance while maintaining NDC ambition;
- 2.2.2: Conduct analysis on the mitigation potential of domestic charcoal production as an alternative to imported charcoal, domestic fuel wood etc
- 2.2.3: Conduct analysis on the potential to use Refuse Derived Fuels (RDF) as an alternative fuel in cement plants
- 2.2.4 Conduct analysis on sustainable solid waste management and include business case with cash flow analysis and financing structure followed by a gender responsive demonstration pilot project in one of the Municipalities
- 2.2.3 Capacity enhanced to implement NDC priority actions in select sectors (MOWHS, Thromde, and relevant agencies)

Output 3: Capacities developed to design climate-friendly investment opportunities, address investor risk, and blend and catalyse climate finance

Under this output, the RGoB will review the barriers to investment to identify appropriate financial and policy levers to minimize investor risks through a high-level dialogue. Gender-responsive financing mechanism(s) will be designed to address barriers to investment and stimulate investment in cleaner technologies Bhutanese banks will be engaged/capacitated on green finance.

As a result of this work, investor risks and assumptions will be more clearly defined and the NDC framed as a tool for advancing national sustainable development. Gender-sensitive financial mechanisms will be defined that encourage scaled up investments in NDC priority actions

3.1: Gender-responsive financial mechanisms designed to scale up NDC actions in support of economic diversification

Activities:

- 3.1.1: High-level forum to engage policy-makers and investors on relevance of NDC as tool to advance short- and long-term national development priorities and enhance understanding of critical barriers to implementation;
- 3.1.2: Financial analysis conducted for NDC Sectoral roadmaps/LEDS (energy efficiency, cleaner production & industry, settlements, transport)
- 3.1.3 Investment plan/Framework for sustainable financing mechanism(s) for NDC implementation assessed and elaborated (i.e. for public, institutional, and/or private sectors)
- 3.1.4: Capacity building of key officials of finance ministry and related agencies in understanding how to access, catalyse and implement climate finance, including private sector motivations.

Output 4: Enabling environment enhanced for private sector engagement

Public-private partnerships can create an environment of trust, openness and informational symmetry and help governments to address regulatory and legislative hurdles that are impeding low-carbon investments. Under this output, business platforms (roundtables) will be established to create a proactive and participatory approach to identifying the areas in which the private sector can

best contribute to NDC implementation and support the transparency and credibility of efforts, e.g., minimum technology standards for applicants to the new industrial parks. Regulatory and policy approaches that can best encourage financial stability and market-based solutions will be identified and adopted.

As a result of this work, a mechanism will be established for regularly engaging the private sector on NDC implementation including expansion of women's roles in management and decision-making.

4.1: Private sector systematically engaged on inclusive NDC investment opportunities

Activities:

- 4.1.1: Business roundtables established/strengthened to provide regular public-private engagement on NDC design and implementation and promote benefits of low-emission, risk-informed actions in the context of national development;
- 4.1.2 Barriers to women's roles in management and private sector decision-making analysed and addressed to enhance women's access to non-traditional jobs.

Strategic linkages to UNDP programming

The project directly supports the UNDAF, CPD and UNDP's Strategic Plan 2014-2018 by:

- advancing support of Agenda 2030;
- supporting and advancing options for integrating carbon-neutral, climate-resilient objectives into national and sectoral development planning and investment programmes;
- identifying options to access, sequence, combine, implement and evaluate the use of an emerging range of climate finance options;
- strengthening partnerships with the private sector;
- advancing gender equality and empowering women by mainstreaming gender considerations into NDC implementation; and
- advancing youth empowerment and mainstreaming equity considerations for persons with disabilities and vulnerable populations.

The project will also contribute to the UNSDPF, CPD and UNDP's strategic plan 2018-2023 through continued efforts mentioned above. The links to the UNSDPF has been included in the RRF.

The project has applied UNDP's mandatory Social and Environmental Standards (Annex 2) to integrate the overarching principles (human rights, gender equality and environmental sustainability) into project design. The project is also guided by UNDP's Gender Equality Strategy (2014-17), which seeks to advance gender equality and empower women as agents of change and leaders in the development processes that shape their lives to achieve a more inclusive, sustainable and resilient world, as well as UNDP's [Empowered Youth, Sustainable Future strategy](#) 2014-17, which is about resilience, sustainable and human development, and effective and democratic governance, calls on the young generations to become even more committed agents of change in the development processes.

Resources Required to Achieve the Expected Results

A total of \$802,500 has been allocated to this project, inclusive of 7% GMS, for national and international experts and other associated costs (e.g. stakeholder consultations, awareness raising materials, etc). The goal is to leverage these funds to remove barriers to implementation and unlock private capital to significantly scale up mitigation actions, as described in the NDC.

Bhutan is one of 25 countries receiving direct financial assistance through UNDP's global NDC Support Programme. As such, technical assistance is also provided project counterparts via a Global Support Unit, which is located at UNDP HQ.

Partnerships

World Bank is an important strategic partner, especially for the transport sector; ADB and JICA are also highly influential. Funding sources, such as ACO, the Bhutan Foundation and the Bhutan Trust Fund for Environment Conservation will be targets for engagement.

At the global level, UNDP is engaged a range of strategic partnerships through the NDC Support Programme, including the IKI NDC Support Cluster, the NDC Partnership, the LEDS Global Partnership, and the Partnership on Transparency in the Paris Agreement. The Programme's Global Support Unit will tap these networks to identify examples of challenges, good practices and solutions that can be shared with Bhutan experts, and also promote experiences emerging from Bhutan with the same networks to illustrate the RGoB's ambition on climate change.

Periodic engagement of Programme donors is expected and donor visibility guidelines will be used.

UNDP synergies

The project will also seek synergies and exchange of best practices and tools with other key UNDP projects and initiatives on climate change that are relevant for NDC implementation, and more broadly with relevant initiatives on biodiversity conservation, disaster risk reduction, livelihoods and good governance. Among the key initiatives are: Sustainable Rural Biomass Energy, Enhancing Energy Efficiency in Street Lighting in Thimphu Thromde, Support to REDD+ and Readiness Strategy, Sustainable Urban Transport, National Adaptation Programme of Action (NAPA) II and III, Addressing Climate Change in LDCs, Addressing Climate-induced Disasters Risks, National Adaptation Plan (NAP), Disaster Resilient Construction Phase II, Small Grants Programme, and BIOFIN.

Risks and Assumptions

Key risks and assumptions are summarised in the table below. For the full risk log, see Annex 3.

Risks	Type	Risk level (H/M/L)	Mitigating measures
Weak support by government counterparts and private sector stakeholders for NDC implementation.	Organizational	M	Obtain strong buy-in of all key stakeholders through early engagement to ensure sufficient and sufficiently-capable resources are obtained. Address capacity building needs, especially at local level, to encourage full engagement.
Lack of active participation of business associations, private sector and financial sector to finance, support and implement technically sound and financially viable mitigation actions.	Organizational and Financial	H	Ensure that the prioritization process of mitigation actions includes business associations and private sector to secure buy-in as well as technical, social, and environmental review of options. Continuous advocacy of public, private and financial sectors to overcome mistrust and increase common understanding of

			mutual benefits to the achievement of NDC targets and SDGs.
Lack of willingness of government to implement ambitious NDC and incorporate best practice examples.	Operational	L	Demonstrate that the benefits of more ambitious NDC targets will accelerate development initiatives and processes (e.g. women's empowerment, youth employment, health improvements, etc).
	Assumptions		
	Political support for NDCs and the Paris Agreement does not diminish. RGoB will be willing to engage a broad range of stakeholders to progress towards NDC implementation. Private sector will be increasingly aware of the relevance of the national climate action and development agendas for both business continuity and development, and will understand that early participation will deliver long-term security for a wide range of inter-locking business interests. Private sector will thus welcome the opportunity to participate in NDC implementation. Financial sector will be interested in providing new products if a critical mass of technically qualified national and international enterprises will engage in governmental promoted NDC actions with completed pre-feasibility studies.		

Stakeholder Engagement

The National Environment Commission (NEC) is the implementing partner as, under the provisions of the National Environment Protection Act 2007, the agency is designated to undertake the highest-level decisions on all matters relating to the environment and its management in the country, including climate change. The National Commission for Women and Children will be a responsible party, given its responsibility as the lead agency for the 12th Five Year Plan National Key Result Area (NKRA) 10: 'Gender equality and empowerment of women and girls promoted' and its mandate to promote gender responsiveness in line ministries across the sectors and its advocacy outreach efforts with civil society, corporate and the private sector.

Through the stakeholder analysis conducted as part of the Theory of Change, the following key stakeholders have been identified. The project will put in place inclusive processes to ensure that key stakeholders are engaged throughout the project's duration.

- **Government entities at national and sub-national level and autonomous agencies:** these stakeholders are essential for national ownership and to implement NDC actions through a "whole of government" approach. The project will target key line Ministries in the priority sectors (waste, transport, industry, energy, and human settlements) as well as the Ministry of Finance and GNHC.
- **Women and women's groups/ Organizations:** NDCs need to recognize and support the role of women as active agents in addressing and responding to climate change. Based on the in-depth gender analysis that will be conducted, an action plan will be prepared to engage women and women's groups so that women can become more active in NDC implementation (e.g., "green" jobs programmes for women, more women in decision-making bodies, climate finance tools that support women's grassroots enterprises, etc).
- The **private sector** will continue to be vital partners for implementing and financing climate mitigation actions and promoting access to sustainable energy. The project will engage both domestic actors, such as small and medium enterprises, energy companies, and industry, as well as international actors seeking opportunities for larger-scale investments (e.g., suppliers of clean technology for waste management, green industry, and transport). To reflect the

increasing importance of CSOs in the 12th Five Year Plan, the Bhutan Chamber of Commerce and Industries will be fully engaged.

Secondary stakeholders include **vulnerable communities** who can be key beneficiaries of this project through expanded opportunities for livelihoods. Other important **national actors** for defining and delivering carbon-neutral, climate-resilient development include finance providers, civil society organizations, academia, vocational and training institutions, the media, parliamentarians and the National Assembly.

Key Stakeholders	Roles
National Environment Commission	<p>NEC will serve as the lead agency for the implementation of the Project and the chair of the project board. NEC will coordinate with UNDP and responsible partners, and relevant stakeholders regarding the activities of the Project. It will also provide administrative support, project management, monitoring, and financial management.</p> <p>NEC is also expected to play a crucial role in engaging the private sector and exploring avenues of partnership through various financing models.</p>
National Commission for Women and Children	<p>NCWC is also key implementing partner and a member of the project board. Their role is to ensure gender responsive NDC planning, monitoring and implementation. Take lead in establishing clear gender and climate change linkages and provide business opportunities to youth, women's group, SMEs through the use of green and clean technologies.</p>
Gross National Happiness Commission	<p>GNHC will serve as the Executing Agency and will provide the overall guidance in terms of policy, planning, monitoring and evaluation of project activities. GNHC will be a member of the project board.</p>
Ministry of Works and Human Settlement	<p>MOWHS has been identified as one of the priority areas in Bhutan's INDC for low GHG emission in rural and urban settlements</p>
Department of Industry	<p>Department of Industry has been identified as a key partner for elaboration of GHG emission in industry and will pilot low emission</p>
Ministry of Agriculture	<p>MOA has been identified as a key partner for elaboration of GHG emission in the livestock and agriculture sector</p>
Bhutan Chamber of Commerce and Industry (BCCI)	<p>BCCI is anon-profit organization comprising of members from business community in the country, and is the apex body of the private sector in Bhutan.</p>
Association of Bhutanese Industries	<p>The association addresses issues in a manner that considers the broad industrial</p>

	and environmental aspects related to the sector
Thromde	Thromde is the local government body responsible for municipal administration. It is responsible for planning as well as implementation of several activities, like waste management, water supply and physical infrastructure in the cities. One of the thromdes will be identified for pilot demonstration of sustainable solid waste management
Women / youth and self help groups	Engage women, self help groups and youth group to programmes that support grassroot enterprises that are climate responsive
Financial institutes/ banks	Involve Ministry of Finance and banks as a key stakeholder to create awareness on investment platforms for NDC implementation and also elaborate financing mechanisms for access to private sectors
Ministry of Finance	The MoF has been identified as one of the key partner for gender and climate responsive budgeting and monitoring
Ministry of Home and Cultural Affairs	Guide and Support local governments in the efficient and effective delivery of services and promote mainstreaming of GECDP into policies, plans and programs
UNDP	UNDP will oversee the project execution and provide technical quality assurance. UNDP will also provide day to day support functions and back stopping in project implementation. UNDP will also carry out CO-NIM support where needed and will co-chair the project board meeting

South-South and Triangular Cooperation (SSC/TrC)

Experience has shown that countries benefit to a high degree from exchange among peers, advancing their own innovative solutions to climate change and drawing on indigenous knowledge. As Bhutan is one of 25 countries participating in a global UNDP NDC Support Programme, and through this the IKI NDC Support Cluster (<https://www.ndc-cluster.net/>), there is an opportunity to receive and apply innovative insights emerging from the global programme through structured peer-to-peer exchanges. Knowledge and lessons codified from the Programme and its partner networks will also be identified and disseminated by the Global Support Unit to all national project partners.

Knowledge

At the global level, knowledge management and learning is a core component of the global NDC Support Programme and thus the Global Support Unit will engage with all project partners, including Bhutan, to identify good practices and key results for dissemination. Therefore, Bhutan will benefit from the learning of others, as well as be able to disseminate results to a global audience via UNDP networks and those of key strategic partners including the IKI NDC Support Cluster and the NDC Partnership.

At the national level, it is recognised that the media will be key stakeholder for awareness raising and dissemination of results. Publications and media products will have full compliance with UNDP's Branding Guidelines and Media Guidelines for Reporting on Women and Children, NCWC 2016 as well as the visibility requirements of donors.

Sustainability and Scaling Up

The project specifically supports UNDP's Strategic Plan objective to enhance planning, policy frameworks and institutional capacities to substantially reinforce action on climate change² by supporting integrated governance and transparency systems. Thus, the use of existing national systems will be a key criterion for any work. The goal is to strengthen and adapt these systems, as needed, for NDC implementation. Mainstreaming of gender-responsive mitigation actions through improved institutional and policy frameworks will anchor the project's results in the broader national systems.

As with the Low Emission Capacity Building (LECB) project, this project is designed to be country-driven and country-owned, with national technical and institutional capacities built and sustained through a learning-by-doing approach. Where international and regional experts or consulting firms are engaged, terms of reference will require a deliverable of training and/or handover of knowledge. It is anticipated that the main focus for capacity building under this project will be local governments, private sector, financial institutions, and women's groups that did not benefit from capacity building efforts under the LECB project.

The focus on private sector engagement and sustainable financing mechanisms will support governments to scale up and sustain mitigation actions that support zero-carbon development. In this context, a central element of project implementation will be to ensure replicability and sustainability of results beyond the project's scope and duration by piloting measures that provide the business case for investment in climate change. Through the strengthening of institutional capacities and policy mechanisms, Bhutan will create an enabling environment that reduces investment risks, creates the conditions for reduced dependency on grant-funded initiatives by instead attracting private finance, and ensure gender responsiveness of national climate action.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

This project will directly support the carbon-neutral development vision of the RGoB through the implementation of pilots that will demonstrate a business case for mitigation action as well as by addressing barriers to implementation such as availability of capital and policy reforms. In this way, the project acts as a catalyst for additional climate finance and investments.

The project also benefits from participating within a global Programme, which allows for continued exchange with other countries undertaking similar efforts around the world. As such, Bhutanese practitioners can identify opportunities for peer exchange and study visits and thus benefit from the learning and experiences of other governments and the Programme's strategic partners.

Project Management

²UNDP Strategic Plan 2011 – 2017. Page 25.

The project manager will be based in the National Environment Commission, as NEC is implementing partner. A focal point for the gender-focused work will be identified in the National Commission for Women and Children, as a Responsible Party, working closely with the project manager to ensure that the insights and recommendations from the gender analysis are appropriately implemented.

The UNDP CO, through a designated UNDP staff, will be responsible for the successful execution of program outcomes and monitoring of interdependencies between this project and others and managing changes within and among projects. At the same time, UNDP CO shall co-chair the Project Management Board. UNDP will also support the overall project assurance role by carrying out objective and independent project oversight and monitoring functions, and ensure that appropriate project management milestones are managed and completed.

v. Results Resource Framework³

Intended Outcome as stated in the Country Programme Document and UN Sustainable Development and Partnership Framework (UNSDPF)

CPD Outcome 2: (UNSDPF Outcome 4): By 2023, Bhutan's vulnerable communities and its economy are more resilient to climate-induced and other disasters and biodiversity loss.

UNSDPF Outcome 4: By 2023, Bhutan's communities and its economy are more resilient to climate induced disasters and biodiversity loss.

The project will be linked to the following outputs of the (draft) UNDP Strategic Plan 2018-2021:

Accelerating structural transformations for sustainable development, especially through innovative solutions that have multiplier effects across the Sustainable Development Goals & Building resilience to crises and shocks, in order to safeguard development gains.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Applicable Output(s) from the UNDP Strategic Plan: 1.4 Scaled up action on climate change mitigation and adaptation across sectors funded and implemented

Output 4.2. National policies foster innovative financing, inclusive business, and improved livelihoods through climate resilient/nature-based solutions

Output 4.3 GHG emission managed in select sectors

Output 4.4 Data and evidence based assessment, planning tools and mechanisms applied to enable implementation of gender sensitive and risk-informed prevention and preparedness to limit the impact of natural and climate induced hazards

Project title and Atlas Project Number: Gender Responsive NDC Implementation in Bhutan (00098608)

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA METHODS & RISKS	COLLECTION
			Value	Year	2019	2020	FINAL		
Output 1 Integrated governance enhanced to deliver NDC outcomes (GEN2)	1.1 No. of new or improved institutional structures and processes for gender-responsive NDC implementation through application of gender-NDC checklist/tool (maps to GOI 2.2)	Documented processes reflecting gender analysis	1 ¹	2017	1	1	2	Review govt processes annually, against gender action plan and checklist. Formal adoption of institutional frameworks may be difficult.	
	1.2 Gender mainstreamed into national climate change policy and action plan (maps to GOI 2.1)	Climate policy	1 ¹	2017	1	0	1	Review national climate policy and action plan.	
	1.3. No of gender sensitive tools/manual developed	Gender analysis/ GIH		2017	1	1	2	Gender mainstreaming tools, GIH strengthen gender indicator for the various sectors	
Output 2	2.1 No. of gender responsive mitigation assessments conducted to	Study reports	4	0	2	2	4		

³UNDP

Evidence based design and planning options delivered (GEN2)	address technical barriers identified in NDC sectoral roadmaps in an inclusive manner (Maps to GOI 3.4)									4 report. Grid emission factor study, Domestic charcoal vs imported charcoal study, RDF and waste study	
	2.2 Gender analysis undertaken and action plan prepared to integrate gender into NDC design and implementation (Yes/No) (Maps to GOI 3.2) and CPD indicator 4.4	Gender analysis and action plan	2017	Yes	0	Yes			1		
	2.3 No. of facilities to safely manage waste and reduce GHG emission (maps to CPD indicator 4.3.2)	pilot project	2017	1					1		Waste pilot demonstration
	2.4 No. of training programmes conducted to address capacity barriers identified in NDC roadmaps (Maps to GOI 3.3)	Training programme reports	2017	3					3		
Output 3 Capacities developed to design climate-friendly investment opportunities (GEN2)	3.1 No. of NDC forums on financial mechanisms to address investor risks and promote NDC investments (Maps to GOI 4.2)	Financial analysis/description of mechanism(s)	2017	1	1			2		Recommendations may not be applied by government or introduced by financial sector.	
	3.2 No. of investment frameworks for NDC sectoral roadmaps / NDC implementations	Reports	2017	3	3			6		sectoral ndc road maps & ndc investment framework	
Output 4 Enabling environment for private sector development (GEN2)	4.1 No of meetings/wshops held to engage pvt sec on NDC implementation to promote benefits of low emission, risk-informed actions (maps to GOI 5.1) and CPD indicator 4.2	Round table minutes	2017	3	2			5		Private sector may not see value in round tables.	
	No of advocacy materials developed and disseminated that analyse and share insights on and impacts of NDC actions	Reports, media stories, blogs, social media		2	3			5		Reach and impact of advocacy materials may be hard to calculate.	

publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plan: /

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	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	Slower than expected progress will be addressed by project management.	N/A	0
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions 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.	N/A	0
Learn	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. Audio-visual and infographic oriented analysis will be a priority for social media reach.	Short insights at least every six months for global programme	Relevant lessons are captured by the project team and used to inform management decisions. Insights and impacts will be documented in visual formats and blogs for promotion via global programme and its partner network.	N/A	USD 15,000
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.	N/A	0
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.	N/A	0

Project Report	<p>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.</p> <p>Inputs will also be provided to the global programme annual reports.</p>	Annually, and at the end of the project (final report)		N/A	0
Project Review (Project Board)	<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>	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	N/A	0

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation	N/A	1.4	<p>By 2018, sustainable and green economic growth that is equitable, inclusive, climate and disaster resilient and promotes poverty reduction and employment opportunities particularly for vulnerable groups enhanced CT Output 1.1</p> <p>Outcome 4: By 2023, Bhutan's communities are more resilient to climate induced disasters and biodiversity loss/ CPD Outcome: Accelerate structural transformation for sustainable development</p>	June 2021	NEC, NCWC, DOI, MOWHS, MOA, Municipality, GNHC	USD25,000

VII. MULTI-YEAR WORK PLAN ⁴⁵

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		RESPONSIBLE PARTY	PLANNED BUDGET			
		2019	2020		2021	Budget code	Budget Description	Amount
Output 1 Integrated governance enhanced to deliver NDC outcomes (GEN2)	1.1 Establish Gender responsive inst framework for NDC implementation	10000			NEC	75700	Trg/wshop	10000
	1.2 Mainstream gender in the National Climate policy and action plan	3000			NCWC/NEC	75700	Trg/wshop	3000
	1.3 Capacity development of Gender focal points, gender expert gp, MRG, C4 and LG to mainstream gender and NDC targets in sectoral policies, plan, programs and projects	25000	25000		NCWC	75700	Trg/wshop	50000
	1.4 Develop Gender planning and analysis tool/ checklist, GIH, for mainstreaming gender and cross cutting issues into the NDC process	10000	5000		NCWC	75700 71200/71300	Trg/wshop consilt	15000
	Sub-Total for Output 1							78,000
Output 2 Evidence based design and planning of mitigation options delivered (GEN2)	2.1 Conduct gender-NDC analysis	90000	27000		UNDP/NEC/NCWC	71200/71300 75700	consilt Trg wshop	117000
	2.2 Conduct grid emission factor study in context of climate finance	20000			NEC	71200/71300 75700	consilt Tr/wshop	20000
	2.3 Assessment of mitigation potential of Domestic charcoal production as alternative to imported charcoal	20000			NEC	71200/71300 75700	consilt Trg/wshop	20000

⁴ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

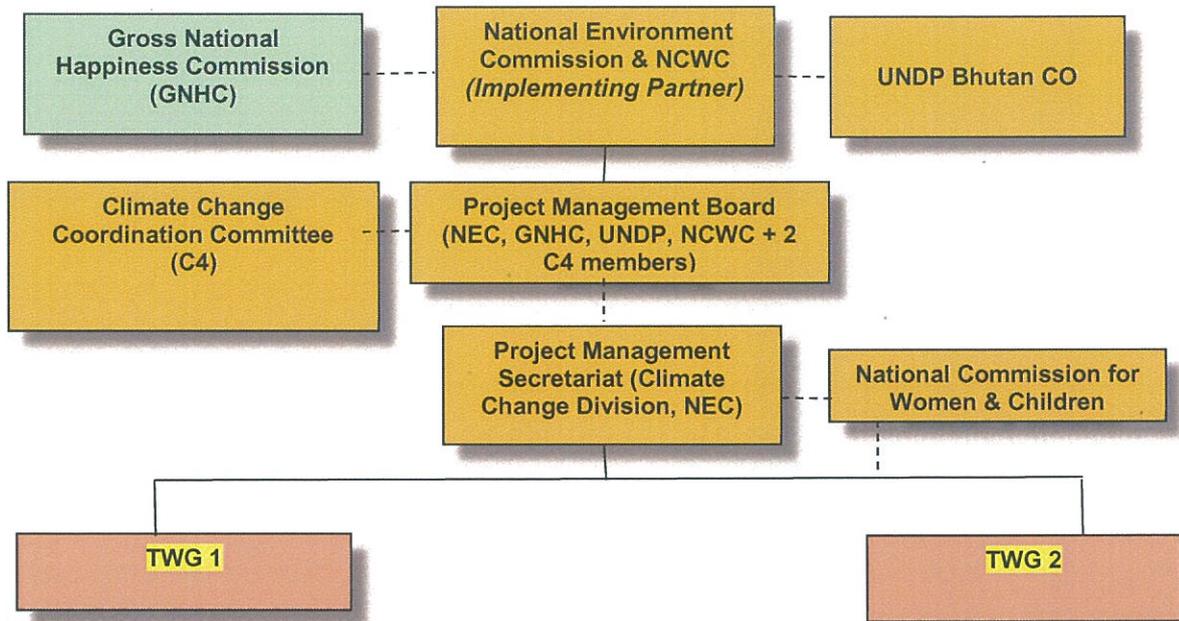
⁵ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	2.4 Conduct analysis on use of RDF as alternative fuel in cement plants	20000			NEC	71200/71300 75700	consilt Trg/wshop	20000
	2.5 Conduct analysis on solid waste mgt	20000			NEC	71200/71300	consilt	20000
	2.6 Pilot Sustainable solid waste management		150,000		NEC	72300	Mat & goods	150,000
	2.7 Capacity development as recommended in NDC roadmap(waste and Human settlement)	30000	10000		NEC	75700	Trg/wshop	40000
		Sub-Total for Output 2						337,000
Output 3 Capacities developed to design climate-friendly investment opportunities (GEN2)	3.1 NDC investor forum	10000	10000		NEC	75700	Trg/wshop	20000
	3.2 Financial analysis for NDC sectoral roadmaps	25000			UNDP	71200/71300 75700	consilt Trg/workshops	25000
	3.3 Investment plan for NDC implementation assessed and elaborated		25000		NEC/UNDP	71200/71300 75700	Consilt Trg/workshops	25000
	3.4 Develop capacities of key financial stakeholders to access, catalyse and implement climate finance	15000	15000		NEC	75700	Trg/wshop	30000
	Sub-Total for Output 3							100,000
Output 4 Enabling environment enhanced for private sector development (GEN2)	4.1 Private sector engaged on NDC investment opportunities	10000	10000		NEC	75700	Trg/wshop	20000
	4.2 Support women gpy/youth gps/ self-help gps in entrepreneurship and management roles	25000	25000		NCWC /NEC	72600	Grants	50000
	Sub-Total for Output 4							70,000
Output5 Communication and Advocacy and M&E	Develop communications and advocacy materials/ videos and conducted terminal evaluation	10000	15000	25000	UNDP	74200/75700 71200/71300	AV&print Trg/wshop Consilt	50,000
	Sub-total for output 5							50000

Project Management Support	PMU-UNDP	12500	12500	15000	10000	UNDP	75700 75100 61105	Ttg wshop UNDP-PO (50% sal)	35000
	PMU-NEC/NCWC	15000	15000	15000		NEC/NCWC	75700 61105 74500	Ttg wshop Misc	30000
Sub total									65,000
Subtotal for output1-5		370500	344500	35000					750,000
General Management Support 7%		25935	24115	2450					52500
GRAND TOTAL		396435	368615	37450					802,500

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The management structure for implementation of the project is shown below.



The Gross National Happiness Commission (GNHC) will endorse the project on behalf of the Royal Government. The National Environment Commission (NEC) is the designated Implementing Partner for the project. The Project Management Secretariat will be therefore accommodated within the Climate Change Division of the NEC Secretariat. Given the gender work stream, the National Commission for Women and Children (NCWC) will be a Responsible Party.

A Project Management Board chaired by the NEC Secretary and represented by GNHC, UNDP, NCWC, and two members from the Climate Change Coordination Committee (C4) will oversee the overall implementation of the project and endorse the project work plan, budget and the project outputs.

The Project Management Secretariat which will undertake the day to day functioning of the project will be headed by a Project Manager designated from amongst the officials of the Climate Change Division, NEC. A project advisor from the NCWC will provide inputs and recommendations to the gender-focused work.

Implementing Partner/NEC

The government institution designated as the implementing partner (IP) for the LECB Project is the National Environment Commission. Being the IP on behalf of the beneficiary government, the NEC is fully responsible and accountable for managing the project and ensuring the on-the-ground implementation of the project, the achievement of the expected project outcomes and outputs and the effective use of the project resources. The IP chairs the Project Management Board, the IP shall prepare the Annual Work Plan (AWP) for the approval of the PMB; review and sign the Combined Delivery Report (CDR) at the end of the year; and prepare and submit the Quarterly Progress report and sign the Financial Report (FR) or the Funding Authorization and Certificate of Expenditures

(FACE). The IP will work closely with the UNDP Country Office in defining, assessing and monitoring program outputs and achievements towards desired development outcomes.

The project relies on strong collaboration among the participating Bhutan government departments and other agencies for which the C4 is representing and reporting. The Chief heading the Climate Change Division, NEC, is appointed as the Project Focal Point, thus ensuring country ownership and the effective and efficient steering of the project towards outcomes and outputs that are of relevance and interest to Bhutan. The Project Focal Point will also chair all the Project Implementation Taskforce meetings and the stakeholder consultation meetings.

Responsible Party: National Commission for Women & Children

The National Commission for Women and Children (NCWC) was established under the Ministry of Health in 2004 and was made an autonomous agency of the Royal Government of Bhutan in 2008. The NCWC is mandated to promote and protect the rights of women and children in Bhutan. The Commission is chaired by the first female Cabinet Minister who is the Minister of Works and Human Settlements and members consist of senior representatives from relevant government ministries and agencies, Office of the Gyalpoi Zimpon, Royal Court of Justice, Royal Bhutan Police, Parliament, Civil Society Organization and the Private Sector.

The NCWC, supported by the UN and ADB, has carried out a Gender Equality Diagnostic of Selected Sectors (agriculture and rural livelihoods; education; energy; environment; private sector development; transport: roads and services; urban development; and work and unemployment), which will provide inputs to a Gender Equality Policy and Strategy and Action Plan to be developed for implementation in the 12th Five Year Plan and beyond. An Interim Action Plan for Gender Equality has been recently approved by the Commission based on the review of the National Plan of Action for Gender (2013 to 2018) and the Concluding Observations of the UN CEDAW Committee

UNDP Country Office

The UNDP CO, through the Resident Representative (RR) or a designated UNDP staff, will be responsible for the successful execution of program outcomes and monitoring of interdependencies between projects and managing changes within and among projects. At the same time, UNDP CO co-chairs the Project Management Board. While project assurance is the responsibility of the IP, the UNDP assumes the overall project assurance role in support by carrying out objective and independent project oversight and monitoring functions, and ensures that appropriate project management milestones are managed and completed.

Project Management Board

The Project Management Board (PMB) chaired by the Secretary of the NEC, and co-chaired by a designated senior UNDP staff member, will include members from GNHC, NCWC and two members from Climate Change Coordination committee (C4). The Project Management Board will oversee the project implementation processes and the progress. The Board will review and endorse annual work plan, budget, progress reports and financial reports submitted by the Project Management Secretariat. The Board is also responsible for the successful execution of program outcomes and monitoring of interdependencies between projects and managing changes within and among projects.

The project board will meet a minimum of once a year to report on the progress, success, issues and challenges and for guidance and approval by the board.

Project Management Secretariat/Project Manager

A Project Manager will be designated from the Climate Change Division, NEC, to undertake full responsibility of day to day implementation of the project under the directives and guidance of the C4 and the Project Management Board. The Project Manager is the Head of the Project Management Secretariat, while the Chief Environment Officer/Head of the Climate Change Division (CCD) in the capacity of the Project Focal Person will assume the responsibility of a permanent advisor to the Project Manager on technicalities of climate change issues and national policies. The Project Focal Person will also facilitate in hiring consultants to help deliver the project outputs.

The Project Manager will be assisted by the Project Implementation Taskforce/Technical Working Groups in carrying out the technical activities and by Administrative & Financial Services Officials of the NEC in all administrative and financial management affairs.

The Terms of Reference (TOR) for staff and major consultancies are included in the annex of this project document. ToRs for other consultants will be developed at the time of hiring.

Thematic Working Groups (TWGs)

Thematic working groups for the NDC priority sectors will be formed to provide technical back stopping and guidance in elaboration of the NDCs. The groups' representation will be maintained to a minimum of 7-9 members (with a minimum of 30% women representation) for effective implementation. Consultations with wider stakeholder groups will be conducted for an inclusive and participatory process.

IX. LEGAL CONTEXT AND RISK MANAGEMENT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Royal Government of Bhutan and UNDP, signed on 14th July 1978. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

1. Consistent with the Article III of the SBAA [*or the Supplemental Provisions*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

X. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template**[\[English\]](#)[\[French\]](#)[\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**
6. **Theory of Change**

Annex 6: Theory of Change

Overarching Development Challenge in Bhutan: Increased inequalities and socio-economic, disaster, climate change, and environmental risks for the vulnerable groups

Development Solution: Decrease inequalities and reduce risks for vulnerable groups through a resilience and sustainable programme that achieves a just and harmonious society.

Immediate causes of increased climate change, disaster and environmental risks:

- Increasing frequency and severity of climate hazards
- Increased susceptibility to natural disasters
- Lack of disaster preparedness
- Land and environmental degradation.
- Water quality and water security impacted
- Increasing pollution and lack of waste management
- Rapid urbanization and unsustainable pressures on urban centres and towns
- Women and girls disproportionately affected by natural disasters, climate and environmental risks

Underlying causes of increased risks for vulnerable groups:

- Fragmented environmental governance policies
- Limited local government capacities and absence of coordination mechanisms.
- Weak enforcement of laws and policies
- Inadequate gender-sensitive disaster, climate and environment policies.
- Inadequate integration of environmental values and climate risk into local development plans and strategies.
- Inconsistencies in tourism sector policies and conservation policies that limit the promotion of economic diversification.
- Human and wildlife conflict.
- Limited access to affordable, reliable and clean energy for off-grid communities.
- Lack of inclusive financial services and products and under developed financial sector
- Non-conducive entrepreneurial and private sector development and business policies.

Root causes impacting resilience and sustainability:

- Communities lack appreciation of value of environmental services.
- Attachment to ancestral land and property of communities in disaster prone areas.
- Fragile natural topography.
- Heavy reliance on climate sensitive economic sectors and livelihoods.
- Relatively closed economy and limited innovative development solutions.

A solution pathway to achieving gender-responsive, risk-informed carbon-neutral sustainable development that increases livelihood opportunities was identified as part of the theory of change.

- Immediate efforts include using a gender-responsive lens to unpack the Bhutan's Nationally Determined Contribution and identify priority climate change actions that can be framed in Low Emission Development Strategies or a National Adaptation Plan. Ensure that sectoral Ministries are capacitated to access finance and implement these NDC actions.

- Medium-term efforts include engaging with investors and preparing a pipeline of mitigation and adaptation projects (including job targets for women and youth) and addressing barriers to clean and green technology. Analysis of natural disaster and climate change risks must underlie this analysis. Create an enabling environment to attract investment by ensuring there are no gaps in the policy framework (e.g. climate change policy, alternative renewable energy policy, etc).

The result will be an increase in risk-informed, climate-friendly investments and a diversified green energy mix that will deliver carbon-neutral development. To the extent possible, investments should create and promote opportunities for SMEs, youth, and women, and diversify livelihood opportunities to reduce inequalities for vulnerable groups.

References

Bhutan's Intended Nationally Determined Contribution, 2015

Bhutan's Second National Communication to the UNFCCC, 2011

Declaration of the Kingdom of Bhutan - the Land of Gross National Happiness to Save our Planet, dated 11 December 2009

MoWHS (2010). Bhutan National Urbanization Strategy, 2010. Ministry of Works and Human Settlements, RGoB

NSB (2014). Bhutan Poverty Assessment Report 2014, National Statistics Bureau, RGoB and World Bank.

NSB (2016). National Accounts Statistics 2016, National Statistics Bureau, RGoB.

NEC 2017a: Bhutan Low Emission Development Strategy for the Industrial Sector, 2017. NEC, RGoB.

NEC 2017b Bhutan Low Emission Development Strategy for the Transport Sector, 2017

Population and Housing Census of Bhutan, 2017

Eleventh Five year Plan , Final report (2013-2018), GNHC, June 2018

Royal Government of Bhutan and UNDP, 2011.

UNDP (2016). Gender Equality in National Climate Action: Planning for Gender-Responsive Nationally Determined Contributions.

UNDP (2017). Background Paper for 13th Round Table Meeting between Bhutan and development partners, 2017. 13th RTM Joint Task Force and UNDP.

