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## **Eighth Consolidated Annual Progress Report on Activities Implemented under the United Nations Bhutan Country Fund**

**Report of the Administrative Agent of the United Nations Bhutan Country Fund  
for the Period 1 January to 31 December 2017**

Multi-Partner Trust Fund Office  
Bureau of Management  
United Nations Development Programme  
<http://mptf.undp.org>

31 May 2018

## United Nations Bhutan Country Fund

### PARTICIPATING ORGANIZATIONS



**Food and Agriculture Organization of the United Nations (FAO)**



**United Nations Capital Development Fund (UNCDF)**



**United Nations Children's Fund (UNICEF)**



**United Nations Conference on Trade and Development (UNCTAD)**



**United Nations Development Programme (UNDP)**



**United Nations Educational, Scientific and Cultural Organization (UNESCO)**



**United Nations Environment Programme (UNEP)**



**United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)**



**United Nations Population Fund (UNFPA)**



**United Nations Volunteers (UNV)**



**World Food Programme (WFP)**

### CONTRIBUTING DONORS

**Austrian Development Agency  
Delivering Results Together Fund  
Swiss Development Cooperation**

## Abbreviations and Acronyms

*List of abbreviations and acronyms commonly used in the report:*

cCPAP	Common Country Programme Action Plan
DDM	Department of Disaster Management
GNH	Gross National Happiness
EFW	Expanded Delivering as One Funding Window for Achievement of the MDGs
FAO	Food and Agriculture Organization of the United Nations
FYP	Five Year Plan
IFAD	International Fund for Agricultural Development
IMNCI	Integrated Management of Neonatal and Childhood Illness
MDGs	Millennium Development Goals
MPTF	Multi-Partner Trust Fund
MPTF Office	UNDP Multi-Partner Trust Fund Office
MoAF	Ministry of Agriculture and Forests
MoE	Ministry of Education
MoHCA	Ministry of Home and Cultural Affairs
MOU	Memorandum of Understanding
OCHA	Office for the Coordination of Humanitarian Affairs
RC	Resident Coordinator
RGoB	Royal Government of Bhutan
SAA	Standard Administrative Arrangement
TOR	Terms of Reference
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNV	United Nations Volunteers
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WFP	World Food Programme

## **Definitions**

### **Allocation**

Amount approved by the UN Bhutan Country Fund Steering Committee for projects/programmes.

### **Approved Project/Programme**

A project/programme document, including budget, etc., that is approved by the UN Bhutan Country Fund Steering Committee for fund allocation purposes.

### **Donor Commitment**

A contribution expected to be received or already deposited by a donor based on a signed Standard Administrative Arrangement (SAA), with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent of the UN Bhutan Country Fund.

### **Donor Deposit**

Cash deposit received by the UNDP MPTF Office for the UN Bhutan Country Fund.

### **Indirect support costs**

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. Under UN MPTFs, these costs amount to 7 per cent as per the UNDG agreed MPTF cost recovery.

### **Net funded/transferred amount**

Amount transferred to a Participating Organization, less refunds, of unspent balances received from the Participating Organization.

### **Participating Organizations**

Organizations that have signed a Memorandum of Understanding with the UNDP MPTF Office.

### **Project Disbursement**

The amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include un-liquidated obligations).

### **Project Expenditure**

Amount of project disbursement made plus un-liquidated obligations during the year.

### **Project Financial Closure**

A project/programme is considered financially closed when all financial obligations of an operationally completed project/ programme have been settled, and no further financial charges may be incurred.

### **Project Start Date**

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

### **Project Operational Closure**

A project or programme is considered operationally closed when all activities for which a Participating Organization is responsible under the approved programmatic document have been completed.

### **Total Approved Budget**

Amount approved by the UN Bhutan Country Fund Steering Committee for projects/programmes.

## Executive Summary

The United Nations (UN) Bhutan Country Fund was formally established on 30 June 2009 with the conclusion of the Memorandum of Understanding (MOU) between 14 Participating Organizations<sup>1</sup> and UNDP's Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent of the UN Bhutan Country Fund. The UN Bhutan Country Fund became operational in December 2009 with the first contribution from the Expanded Delivering as One Funding Window for Achievement of the MDGs (EFW)<sup>2</sup>.

This Eighth Consolidated Annual Progress Report on the UN Bhutan Country Fund reports on the 2017 activities of the UN Bhutan Country Fund. In 2017, the UNCT was not able to mobilize any resources and was engaged in implementing activities residual activities funded out of the Delivering Results Together-Fund (USD 754,000) that were allocated at the end of 2014 and contributions from Austria. The report therefore, captures results achieved under UNDAF Outcomes 1 and 4.

Governed by its Steering Committee in accordance with the UN Bhutan Country Fund Terms of Reference, the Steering Committee is responsible for prioritization and allocation decisions of the UN Bhutan Country Fund. The overall management of the UN Bhutan Country Fund is led and coordinated by the Resident Coordinator in consensus with the Heads of the Participating Organizations.

Through the UNDAF One Programme, the UN family in Bhutan had agreed to combine its efforts to achieving the UNDAF One Programme Outcomes in the following four programmatic priorities:

- Sustainable Development
- Essential Social Services
- Gender Equality and Child Protection
- Governance

As of the end of the current reporting period, 31 December 2017, the net funded amount to Participating Organizations totalled USD 3,491,986, with transfers being made to 9 Participating Organizations implementing activities within five outcomes/programmes.

The major vehicle for public transparency of operations under the UN Bhutan Country Fund during the reporting period was the MPTF Office GATEWAY (<http://mptf.undp.org>), and the dedicated UN Bhutan Country Fund website (<http://mptf.undp.org/factsheet/fund/BT100>)

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<sup>1</sup> FAO, IFAD, UNICEF, UNFPA, UNDP, UNESCO, UNAIDS, UNOCHA, UNCDF, UNEP, UN Women, UNCTAD, UNV and WFP.

<sup>2</sup> The Expanded Delivering as One Funding Window for Achievement of the Millennium Development Goals (EFW) is a global funding facility established to support UN Delivering as One countries. Current donors to the EFW are the Netherlands, Norway, Spain and the United Kingdom/DFID.

## **Introduction**

The Eighth Consolidated Annual Progress Report on Activities Implemented under the UN Bhutan Country Fund is submitted to the Steering Committee and Donors contributing to the UN Bhutan Country Fund, in fulfilment of the reporting provisions of the UN Bhutan Country Fund Terms of Reference (TOR), the Memorandum of Understanding (MOU) between the United Nations Development Programme (UNDP) as an Administrative Agent (AA) and Participating Organizations, and the Standard Administrative Arrangement (SAA) between UNDP as an AA and donors. The UNDP Multi-Partner Trust Fund Office (MPTF Office) serves as the AA of the UN Bhutan Country Fund.

The Annual Report covers the annual reporting period, 1 January - 31 December 2017.

The Annual Report is consolidated based on information and data on 2014 DRT-F contributions to the UN Bhutan Country Fund and the activities implemented in 2017 under the DRT-F funding and Austrian contributions that were received at the end of 2014. It is neither an evaluation of the UN Bhutan Country Fund nor the MPTF Office's assessment of the performance of the Participating Organizations – tasks that belong to an independent evaluation.

## **Report Structure**

The Annual Report consists of five chapters: Chapter One provides an overview of the strategic framework of the UN Bhutan Country Fund. Chapter Two provides an overview of the UN Bhutan Country Fund's governance and fund management arrangements. Chapter Three provides an update on allocations and programme approvals and the implementation status during the reporting period. Chapter Four provides an overview of the financial performance of the UN Bhutan Country Fund. Chapter Five elaborates on efforts made to ensure UN Bhutan Country Fund transparency and accountability.

## 1. Strategic Framework

Bhutan became a democracy following the successful elections to the country's first democratically elected Parliament in March 2008. This major political transition requires support over the long term. Challenges remain to build a firm foundation for the smooth functioning of a democratically elected government, through further strengthening of the constitutional bodies, enhanced capacity development of local governments, and expanding the role of civil society, an independent media and continued progress in the socio-economic arena. The credibility of democratic governance, central to the achievement of human development, is dependent on the success of this new democracy.

Bhutan's unique long-term vision and guiding development philosophy of Gross National Happiness (GNH) is seamlessly aligned with the Agenda 2030 and Sustainable Development Goals (SDGs). The core pillars of GNH: sustainable and equitable socio-economic development, conservation of the environment, preservation and promotion of cultural heritage and good governance cover all of the SDGs. As such, just as the SDGs serve as a practical global road map for *Leave No One Behind*, in Bhutan the SDGs are viewed as a highly relevant development strategic framework contributing to realizing Gross National Happiness as the country's long-term development goal. This synergy between GNH and SDGs will give Bhutan opportunities to reach those farthest behind and to complete the last mile for a smooth graduation from Least Developed Country to Middle Income Country.

The UNDAF One Programme 2014 – 2018 is the result of a highly consultative and participatory process involving the Royal Government of Bhutan, key national implementing partners, all resident and non-resident UN agencies supporting Bhutan and other international partners. The UNDAF One Programme is fully aligned with national development priorities laid out in the 11th Five-Year Plan of the Royal Government.

The UN Bhutan's Delivering as One approach has several components:

**One Programme:** The overall goal of the UNDAF One Programme is to maximize the contributions of Participating Organizations by enhancing coordination, coherence, and programmatic synergies to assist in building an equitable, prosperous and democratic Bhutan. There has already been a significant reduction in the number of work plans and project documents between the Royal Government and the UN Organizations as a result.

**Common Premises and Services, and Harmonized Business Practices:** Taking advantage of the robust UN harmonization, both at programme and operations level, a joint Business Continuity Plan was first developed in March 2009, which further reinforces UN Bhutan's Delivering as One with mutual back-up facilities and equipment in case of major disruptive events. All the UN agencies present in the country—except for WHO—are housed in the One UN House, operating under an integrated ICT service, including further harmonization in procurement and other common services.

**Communicating as One:** The UN Bhutan Communications Group comprising of representatives from all six resident agencies is responsible for ensuring a One UN image. The Group provides advisory support to the UNCT and ensures UN advocacy and communications through various channels. The RCO now leads the Communications Group in advancing joint advocacy and the One Voice approach of the UNCT.

**Common Budgetary Framework and Joint Resource Mobilization:** The UN Bhutan Country Fund is an opportunity for the UN in the country to have a common Fund as a new pooled mechanism to mobilize and allocate additional resources at the country level, targeting the unfunded gaps in the One Programme.

**Organizational Change – Leadership, Structure, Skills and Culture:** Organizational change has taken root in UN Bhutan through successful UN harmonization, both at programme and operations level. The Government has expressed its appreciation to the subsequent reduction in transaction costs as a result of the harmonized processes.

The UN Bhutan Country Fund responds to both the Delivering as One approach and commitment to Aid Effectiveness as per the Paris Declaration. It was established to channel additional donors' funding to support the underfunded portions of the UNDAF/cCPAP and new initiatives responding to emerging needs. This enhances the flexibility and responsiveness of the UN system through the UNDAF/cCPAP to adapt to national priorities. The UN Bhutan Country Fund continues to contribute to realizing the UNDAF One Programme outcomes by strengthening the planning and coordination process, and channelling consistent and predictable funds towards the highest programme priorities. Contributions to the UN Bhutan Country Fund may be accepted from governments of Member States to the United Nations, from intergovernmental and non-governmental organizations, or from private sources.



## **2. Governance of the UN Bhutan Country Fund**

### **2.1 Allocation Criteria**

The allocation criteria for the UN Bhutan Country Fund (Refer Annex C) provide an objective basis for resource allocation decisions by the Steering Committee to allocate un-earmarked resources to the respective outcomes/outputs of the One Programme. The criteria for initial allocation are mainly related to One Programme relevance, Delivering as One, resource gaps and agency comparative advantage. Additional criteria for subsequent allocation are related to absorption capacity. The Outcome Groups are responsible for ensuring that their proposed activities meet the fund allocation criteria. The requests should preferably not be below US\$ 100,000 in order to encourage programmatic approaches and ensure operational efficiency.

The One Programme document, as well as joint programmes and agency programme documents falling thereunder is the programmatic planning document that will serve as the basis for funding requests and allocations.

1. For un-earmarked contributions, fund allocation will follow a two-tier process as reflected in the Fund Allocation Process in Annex B. The joint Outcome Groups (refer to Figure 1) will submit their priorities for funding based on the updated funding gap matrix, finalized at their Annual Review meetings in November each year. These proposed priorities will be compiled and reviewed by the Office of the Resident Coordinator and the GNH Commission and submitted to the Steering Committee.
2. The Steering Committee will review the proposed priorities and approve the initial prioritization if required, and based on it, the Steering Committee will submit an overview of the Resource Gap matrix to the development partners in December each year.

Upon receipt of funds from donors, the Steering Committee will make the allocation decisions, based on the financial status of the Fund and the needs of the Government. The Steering Committee will inform the Country Programme Board of the final endorsement at the Board's annual meeting. For decision making, at least half of the Steering Committee members should be present or provide delegated authority. Decisions will be based on a consultative process and will be documented jointly by the Office of the Resident Coordinator and the GNH Commission.

### **2.2 Steering Committee**

The Steering Committee is comprised of UN signatories to the UN Bhutan Country Fund and the Gross National Happiness (GNH) Commission, and is co-chaired by the Secretary of the GNH Commission and the UN Resident Coordinator. The ToR for the Steering Committee is attached as Annex D.

The Steering Committee will be responsible for prioritization and allocation decisions of the un-earmarked contributions to the UN Bhutan Country Fund. The initial prioritization for allocation will be guided by recommendations from the Joint Outcome Groups' annual review process.

The Steering Committee will guide the operations and management of the Fund; it will annually review the joint resource mobilization strategy and subsequently implement it. The Steering Committee will ensure that the Country Programme Board is informed of the allocations, and will take into consideration the Country Programme Board's strategic priorities.

During the reporting period, no Steering Committee meeting was convened due to a change in the Secretary of the GNHC—Government Co-chair—and allocation decisions were made through formal exchange of letters.

### **2.3 UN Resident Coordinator**

The overall management of the UN Bhutan Country Fund is led and coordinated by the UN Resident Coordinator in consensus with the Heads of the Participating Organizations. In line with the overall objective of 'Delivering as One' in Bhutan, the UN Resident Coordinator is responsible for:

- Strategic leadership of the UN Bhutan Country Fund on the basis of the UNDAF One Programme;
- Advocating and mobilizing resources for the UN Bhutan Country Fund in collaboration with Participating Organizations;
- Lead a consultative process on allocations from the UN Bhutan Country Fund, and make final decision if consensus cannot be reached, with documented process and rationale for these decisions;
- Signing the Memorandum of Understanding with Participating Organizations and the Standard Administrative Agreement(s) as a witness; and
- Implementation of the programme activities funded by the resources from the UN Bhutan Country Fund will be the responsibility of the Participating Organizations, as stipulated in the Memorandum of Understanding. The RC will hold the Heads of Participating Organizations accountable for their Organization's results that are funded through the UN Bhutan Country Fund.

### **2.6 Administrative Agent**

As stated in the Memorandum of Understanding, Section I, the UNDP MPTF Office will, as the Administrative Agent:

- a. Receive contributions from donors that wish to provide financial support to the Fund;
- b. Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
- c. Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document<sup>3</sup>, as amended in writing from time to time by the Steering Committee;

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<sup>3</sup> As used in this document, an approved programmatic document refers to the One Programme Joint Work Plans which is approved by the Steering Committee for fund allocation purposes.

- d. Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
- e. Provide final reporting, including notification that the Fund has been operationally completed, in accordance with Section IV below;
- f. Disburse funds to any Participating UN Organization for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

In line with the provisions of the Memorandum of Understanding, the Administrative Agent will ensure that the finalized annual consolidated report on the UN Bhutan Country Fund, is compiled and distributed to all donors contributing to the Fund and to the Participating UN Organizations, including maintaining an appropriate level of fund information on the UN system website for Bhutan ([www.unct.org.bt](http://www.unct.org.bt)) and the UNDP MPTF Office's website (<http://mptf.undp.org/>) to ensure transparency and visibility of donor contributions.

### 3. Approval and Implementation Status

#### 3.1 Programme Allocation Overview and Status

Between January to December 2014, a total of \$1,116,460 was allocated and transferred to four participating organizations (UNDP, UNCTAD, UNICEF and UNFPA), in support of four programme areas. Since the funds arrived late in 2014, programme implementation started in 2015 and continued through to 2016. In 2016, there were no donor contributions.

#### 3.2 Programme Implementation Status

Well targeted priorities and diligent follow-up by Participating Organizations contributed to the financial implementation rate as of end-2017 (98 per cent). Table 3.2 provides a brief summary of the status of each programme, with further details provided in section 3.3 Implementation Achievements and Challenges.

**Table 3.2 Project Information by Sector and Status (Completed and Ongoing)**

Sector / Project No. and Project Title		Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
<b>2018 Essential Social Services</b>							
00093057	2018 Essential Social Services	UNFPA	On Going	39,105	39,105	39,041	99.84
00093057	2018 Essential Social Services	UNICEF	On Going	259,875	259,875	259,273	99.77

<b>2018 Essential Social Services: Total</b>				<b>298,980</b>	<b>298,980</b>	<b>298,314</b>	<b>99.78</b>
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<b>2018 Gender Equal &amp; Child Protection</b>							
00092377	2018 Gender Equal & Child Protection	UNDP	On Going	108,000	108,000	61,128	56.60
00092377	2018 Gender Equal & Child Protection	UNFPA	On Going	138,600	138,600	138,309	99.79
00092377	2018 Gender Equal & Child Protection	UNICEF	On Going	59,400	59,400	56,529	95.17
<b>2018 Gender Equal &amp; Child Protection: Total</b>				<b>306,000</b>	<b>306,000</b>	<b>255,966</b>	<b>83.65</b>

<b>2018 Governance &amp; Participation</b>							
00092378	2018 Governance & Participation	UNDP	On Going	426,580	426,580	441,553	103.51
<b>2018 Governance &amp; Participation: Total</b>				<b>426,580</b>	<b>426,580</b>	<b>441,553</b>	<b>103.51</b>

<b>2018 Sustainable Development</b>							
00093054	2018 Sustainable Development	UNCTAD	On Going	99,000	99,000	94,912	95.87
00093054	2018 Sustainable Development	UNDP	On Going	59,400	59,400	59,012	99.35
<b>2018 Sustainable Development: Total</b>				<b>158,400</b>	<b>158,400</b>	<b>153,924</b>	<b>97.17</b>

<b>Education</b>							
00073276	Bhutan - Education	UNFPA	Financially Closed	29,729	29,729	29,729	100.00
00073276	Bhutan - Education	UNICEF	Financially Closed	195,755	195,755	195,755	100.00

00073276	Bhutan - Education	WFP	Financially Closed	449,902	449,902	449,902	100.00
<b>Education: Total</b>				<b>675,386</b>	<b>675,386</b>	<b>675,386</b>	<b>100.00</b>

<b>Environment</b>							
00073278	Bhutan - Environment	UNDP	Financially Closed	483,060	273,205	273,205	100.00
00073278	Bhutan - Environment	UNEP	Financially Closed	48,165	48,165	48,165	100.00
00073278	Bhutan - Environment	UNESCO	Financially Closed	25,000	24,859	24,859	100.00
00073278	Bhutan - Environment	UNICEF	Financially Closed	100,935	100,935	100,935	100.00
<b>Environment: Total</b>				<b>657,160</b>	<b>447,164</b>	<b>447,164</b>	<b>100.00</b>

<b>Governance</b>							
00073277	Bhutan - Governance	UNCDF	Financially Closed	20,000	19,113	19,113	100.00
00073277	Bhutan - Governance	UNDP	Financially Closed	284,199	273,773	273,773	100.00
<b>Governance: Total</b>				<b>304,199</b>	<b>292,886</b>	<b>292,886</b>	<b>100.00</b>

<b>Health</b>							
00073262	Bhutan - Health	UNFPA	Financially Closed	283,956	279,229	279,229	100.00
00073262	Bhutan - Health	UNICEF	Financially Closed	112,413	112,413	112,413	100.00
<b>Health: Total</b>				<b>396,369</b>	<b>391,642</b>	<b>391,642</b>	<b>100.00</b>

Poverty and MDGs							
00073261	Bhutan - Poverty & MDGs	FAO	Financially Closed	65,743	65,617	65,617	100.00
00073261	Bhutan - Poverty & MDGs	UNCTAD	Financially Closed	17,343	17,343	17,343	100.00
00073261	Bhutan - Poverty & MDGs	UNDP	Financially Closed	394,449	377,989	377,989	100.00
00073261	Bhutan - Poverty & MDGs	UNICEF	Financially Closed	34,000	34,000	34,000	100.00
<b>Poverty and MDGs: Total</b>				<b>511,534</b>	<b>494,948</b>	<b>494,948</b>	<b>100.00</b>

<b>Grand Total</b>	<b>3,734,609</b>	<b>3,491,986</b>	<b>3,451,783</b>	<b>98.85</b>
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### 3.3 Implementation Achievements

The sections below provide an overview of the main implementation achievements of programmes, as reported by the respective Participating Organizations. It only reports on programmes that had operational activities during the reporting period namely, UNDAF Outcome 1: Sustainable Development and UNDAF Outcome 4: Good Governance. Additional information on the programmes, including future work plans, is available in individual programme reports posted on the MPTF Office GATEWAY (<http://mptf.undp.org>). Previous years' achievements and results are included in the 2010, 2011 and 2012, 2013, 2014, and 2015 UN Bhutan Annual Report (<http://mptf.undp.org/document/download/6704>); <http://mptf.undp.org/document/download/9141>).

#### 3.3.1 UNDAF Outcome 4: Governance

The programme outcome contributes to **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.***

##### ***Achievements and Results***

In 2017, a UN joint project to support the 12th Five Year Plan (FYP) preparation was implemented under Outcome 4. Drawing together UN support, the project supported the Government in developing a plan that is results-oriented, inclusive, and financially sustainable with a focus on data for evidence-based decision-making. In the long run, the plan will contribute towards the attainment and measurement of progress towards Gross National Happiness (GNH) and the Sustainable Development Goals (SDG). The joint project also supported various advocacy work; relevant sectors were familiarized with the SDGs and and policy/decision makers were shown how to leverage SDGs as a tool to achieve Gross National Happiness.

This project with partners in Bhutan worked towards three project outcomes:

1. The 12th FYP 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.

Under each outcome and output, the project achieved the followings:

***Outcome 1: The 12<sup>th</sup> 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 were formulated inclusively with enhanced strategic focus***

The preparation of the 12th Five Year Plan (FYP) started from May 2015 through the drafting of an inception note assessing the lessons learnt from the 11th FYP process. In line with the inception note, extensive stakeholder consultation was carried out to ensure that the 12th FYP is more inclusive and sustainable. This is very much aligned to the SDG principle of ‘leaving no one behind’ and ‘inclusiveness’. A total of 683 people was consulted in the process with representatives from the government (central agencies and local governments), representatives from the CSOs, Private sector, youth groups and political parties. The key outcome of the stakeholder consultation was then consolidated and presented to the key stakeholders during the national consultation meeting held on 19th September 2017 in Thimphu. The meeting was attended by 190 participants representing Ministries, Autonomous agencies, CSOs, Private sector and the local government. From the total list of stakeholders consulted, there were 153 females who participated representing more than 23 percent of the total stakeholders and 540 males.

The first outcome of the preparatory process was the formulation and circulation of the guidelines for the plan in January 2017. The 12th FYP guidelines provide a broad policy framework for the central and local Government agencies to prepare the 12th FYP based on the national priorities. It also inspires and directs other stakeholders – private sectors, CSOs and development partners to work in close collaboration and in line with the national development agenda.

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

Responsible staff both at central and district levels were trained on the inclusion and participatory approaches throughout the plan preparatory process. Seven planning officials (five male and two female) were trained on strategic planning and prioritization at Bangkok School of Management to better understand the planning process and employing strategies in developing the national plan. These capacity building activities have greatly contributed to formulating the national and agency key results which are relevant to Bhutan’s next development phase.

***Output 1.3. The 12<sup>th</sup> FYP documents are prepared and published with KPIs, targets, strategies, potential flagship projects, and a macroeconomic framework***

The 12<sup>th</sup> FYP documents have been drafted following an inclusive and participatory approach to ensure ownership of the plan and are in the advance stage of finalization for approval by the next Government towards the end of the year, 16 National Key Result Areas (NKRAs) and Dzongkhag Key Result Areas (DKRAs) and Thromde Key Result Areas (TKRAs) and their KPIs have been proposed by sectors and local governments through a series of brainstorming workshops.

***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 has supported the mapping of Bhutan's 'data ecosystem'. This report includes the findings and recommendations of the Bhutan's data ecosystem mapping. Drawn through the pedestal of the ecosystem approach, the report presents a gamut of assessments of Bhutan statistical system, including the legal and the policy frameworks; entry points and obstacles for multi-stakeholder engagement on data for implementation and monitoring of the 12<sup>th</sup> FYP; innovation and new technologies for participation; infrastructure/institutional requirements for the improved collection, analysis, dissemination and use of data; and efforts to support the creation of national and international legislative frameworks for monitoring and accountability of the SDGs. It evaluates the data gaps, availability and credibility and assesses the capacity and institutional upgrading required to address these gaps for effective tracing and monitoring of the 12<sup>th</sup> FYP progress, including the SDGs, both at national and sub-national levels.

The data ecosystem report will help and corroborate progress towards Bhutan's 12<sup>th</sup> FYP to deliver measurable and accurate development results in line with both GNH and the SDGs. The implementation of the 12<sup>th</sup> FYP and the SDGs in Bhutan provides an impetus to improve data availability, quality, timeliness and comparability both nationally and sub-nationally

***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 was carried out on the SDGs and their relationship to GNH***

To initiate this work, an International Consultant was hired to develop a communications and advocacy strategy to support the Government in creating awareness of the 12<sup>th</sup> FYP NRKAs and the SDGs. An action plan for the implementation of the strategy has been drafted.

***Output 3.2: 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 supported sector-specific and inter-sectoral awareness raising sessions. As a result of this continuous work, the SDG indicators were used as a basis for the formulation of the National Key Result Areas (NKRAs), Sectoral Key Result Areas (SKRAs) and the Key Performance Indicators (KPIs) of the plan. As a result, the 16 NKRAs are closely related to that of the 17 SDGs and about 44 indicators of SDGs are integrated as KPIs for the NKRAs.

Although the project did not face any major risks that would threaten the achievement of the intended results, the following challenges and lessons learnt have been noted:



Although the SDGs columniation strategy has been developed, the implementation has been delayed due to a lack of adequate resources. Furthermore, there is no clear lead among the UN agencies to implement the strategy.

The private sector, CSOs and the Government agencies have been critical partners in implementing the project. The preparation of the 12th FYP has been inclusive of bilateral discussions with CSOs, the private sector, political parties, etc. GNHC worked very closely with theme based working groups to seek their input on strategic focus/priority of the 12th FYP. Similarly, the data ecosystem mapping was carried out in close consultation with RGoB stakeholders.

From the UN, the Inter Agency Theme Team (IATT) on Data and SDGs provided an efficient mechanism of interaction with minimized transaction cost to oversee the UN's support in project implementation, monitoring and evaluation.

The project also has Project Board, which is the apex program body for approvals and decisions concerning the management and implementation of the project. The Board, chaired by the UN RC and the Director of the GNHC provided strategic direction and oversight and reviewed implementation progress, including budget revisions/reallocations.