

Joint SDG Fund
 Template for the Joint Programme Annual Progress Report
SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Reporting period: June 30 – December 31, 2020

Country: Bhutan

Joint Programme (JP) title: "Building a Bhutan Integrated National Financing Framework for the SDGs and Gross National Happiness"

Short title: Bhutan INFF

Start date (month/year): January 2020

End date (month/year): December 2022

RC (name): Gerald Daly

Government Focal Point (name and ministry/agency): Ministry of Finance, Department of National Budget

Representative of Lead PUNO (name and agency): Azusa Kutoba, UNDP RR

List of PUNOs: UNDP, UNICEF

RCO Main JP Focal Point (name): Scott Standley; E-mail: scott.standley@un.org

Lead Agency Joint Programme Focal Point (name): Tandin Wangchuk; E-mail: tandin.wangchuk@undp.org

Contact person for Joint Communications (name): Tshering Chuki; E-mail: Tshering.chuki@un.org

Budget (Joint SDG Fund contribution): \$872,051

Overall budget (with co-funding): \$932,051

Annual Financial Delivery Rate: \$0

$$- \text{Annual Delivery Rate (\%)} = \frac{\text{Expenditures PUNO 1+ Expenditures PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}};$$

Rate of Committed Funding : \$0

$$- \text{Committed Funding Rate (\%)} = \frac{\text{Committed money PUNO 1+ Committed money PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}}$$

N/A: JP is launching formally in Q1 2021.

	Expenditures January 2020 - December 2020	Committed resources January 2020- December 2020	Transferred Funds January 2020- December 2020	Annual Financial Delivery Rate (%)	Committed Funding Rate(%)
PUNO 1				#DIV/0!	#DIV/0!
PUNO 2					
PUNO 3					
PUNO 4					
PUNO 5					

Short description of the Joint Programme (max 1 paragraph):

The Bhutan Joint SDG Fund programme aims to facilitate the development and implementation of critical building blocks towards an Integrated National Financing Framework (INFF), a transformative contribution to the way Bhutan finances its development priorities. The proposal is a joint initiative of UNDP and UNICEF under the leadership of the RCO developed in collaboration with the Gross National Happiness Commission (GNHC) and the Ministry of Finance of the Royal Government of Bhutan (RGoB). The programme targets especially a sustainable financing strategy underpinned by a coherent and coordinated financing framework, supporting Bhutan to enhance allocation of public resources; attract private investment into sustainable development priorities; facilitate a smooth and sustainable graduation from the LDC category; strengthen gender-responsive approaches to financing and promote gender equality; build resilience to threats posed by climate change and health crises; and create for its people the "Just, Harmonious and Sustainable Society through Enhanced Decentralization" envisaged by the Government's 12th Five Year Plan and beyond.

Executive summary

The Bhutan SDG Fund Joint Programme experienced unavoidable delays during 2020 that postponed official launch until Q1 2021. Follow up discussions were required with RGoB counterparts to respond to a request for re-programming resources to support COVID-19 priorities. With this in mind, the UN team worked closely with GNHC and Ministry of Finance officials to finalize a revised work plan and new programme management arrangements throughout 4Q 2020. This led to a shift in the lead government partner for implementation to the Ministry of Finance. It also resulted in activities that target support specifically to help address financing aspects related to the Government's COVID-19 response. On the positive side, the delay helped build a strong foundation for implementation, including through enhanced government ownership and stronger linkages to COVID-19 priority activities. Q1 of 2021 will bring the official launch of the JP, including the inception phase.

A. Annual Progress (MAXIMUM 7 PAGES)

A.1 The overview of progress and challenges

A.1.1. Overall self-assessment

Provide a self-assessment on the overall JP progress in the last year.

- Above expectations (expected annual results fully achieved and additional progress made)
 On track (expected annual results achieved)
 Satisfactory (majority of expected annual results achieved)
 X Not-satisfactory (majority of expected annual results not yet achieved)

As mentioned, the Bhutan SDG Fund Joint Programme experienced unavoidable delays during the last quarter due to Government requests for re-programming resources to support COVID-19 priorities. This was not limited to the SDG Fund Programme but was also relevant for most development partner activities. While this necessitated a delay in launching the JP it also built a strong foundation for implementation, including through enhanced government ownership and stronger linkages to COVID-19 priority activities. Q1 of 2021 will bring the official launch of the JP, including the inception phase.

A.1.2. Overall progress and key developments to date

N/A: JP is launching formally in Q1 2021.

A.1.3. Changes

Was the JP document modified in the past year?

- X Yes
 No

RGoB requested a joint review of JP activities and management arrangements in light of COVID-19, primarily to ensure the programme effectively supports new national priorities and challenges wrought by the pandemic. Overall, the resulting changes both strengthen government ownership and the JP's relevance to country needs that have changed since the programme was first drafted.

This included especially:

- strengthened programme governance and MoF role;*
- strengthened focus on health financing;*
- re-prioritized activities for planning and budgeting alignment;*
- prioritized support to private sector financing for the SDGs;*
- strengthened results framework; and*
- minor shift in agency allocation to align with new RGoB COVID priorities.*

A.1.4. Challenges

Did the JP face any major challenges in the past year?

- X Yes
 No

The primary challenges to the JP in 2020 related to COVID-19. First, JP finalization was delayed by two unexpected national COVID-19 lockdowns. This slowed many UN cooperation activities, including the JP. Many government partners were also redeployed to focus on the emergency response. Second, the COVID-19 crisis has resulted in understandable changes in Government priorities. The JP needed to be responsive to these significant changes in circumstances and ensure clear linkages with the Government’s COVID-19 response plan. This required discussions with partners and other relevant stakeholders and meant that the JP has taken longer than expected to launch.

Looking forward, main risks concern the continued COVID-19 crisis, including potential new emergency priorities and the possibility of further lockdowns. The programme should be, however, in a better position to manage these challenges. First, the revision and finalization of new programme management arrangements strengthens leadership of the JP and supports enhanced implementation. Launch of the programme with the Government-led PMU should also help reduce further delays due to lockdowns. Second, the revised JP and related joint discussions resulted in activities that are more closely linked to Government COVID-19 priorities. They are also designed to be more adaptable to support Government as the crisis continues and new needs emerge.

[A.1.5. COVID-19 and other strategic alignment](#)

Again, as detailed above the RGoB requested a joint review of JP activities and management arrangements in light of COVID-19, primarily to ensure the programme effectively supports new national priorities and challenges wrought by the pandemic. The resulting changes both strengthen government ownership and the JP’s relevance to country needs that have changed since the programme was first drafted.

This included especially:

- strengthened programme governance and MoF role;
- strengthened focus on health financing;
- re-prioritized activities for planning and budgeting alignment;
- prioritized support to private sector financing for the SDGs; and strengthened results framework.

The Bhutan COVID-19 SERP was also drafted during this period in collaboration with the RGoB. The JP is fully integrated into the plan and is a critical priority of the UNCT’s macroeconomic pillar in support of COVID-19.

In this context, UN Bhutan will support especially:

- analysis of short-, medium- and long-term fiscal sustainability and financing options, including for protecting social expenditures and COVID-relevant activities;
- analysis of expenditure options to support pro-poor growth, social spending, and SDG progress during and beyond the crisis;
- developing financing strategies to help ensure long-term fiscal sustainability; and
- piloting innovative financing mechanisms.

A.2 Update on priority issues

[A.2.1. Progress on Integrated National Financing Framework/SDG financing building blocks](#)

Implementation Stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable	Comments/ Notes
-----------------------	--------------	---------------------------	-----------------------------	--------------------------	----------------------	----------------	-----------------

1. Inception phase	X <input type="checkbox"/>	Q1 2020					
2. Assessment & diagnostics	X <input type="checkbox"/>						
3. Financing strategy	X <input type="checkbox"/>						
4. Monitoring & review	X <input type="checkbox"/>						
5. Governance & coordination	X <input type="checkbox"/>						

N/A: JP is launching formally in Q1 2021.

A.2.2. Thematic focus

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> X Cross-cutting | <input type="checkbox"/> X Social protection | <input type="checkbox"/> Agriculture | <input type="checkbox"/> X Other Economic diversification/manufacturing sector. |
| <input type="checkbox"/> X Gender | <input type="checkbox"/> X Health & nutrition | <input type="checkbox"/> X Biodiversity | <input type="checkbox"/> Other..... |
| <input type="checkbox"/> Children & youth | <input type="checkbox"/> X Climate change & nature | <input type="checkbox"/> Blue economy | <input type="checkbox"/> Other..... |

A.2.3. Gender marker

Did your Joint Programme feature Gender Results in the past year at the outcome or output level?

- Yes
 X No

Briefly explain: N/A: JP is launching formally in Q1 2021.

Gender Marker total average scoring from 0 to 3 (as defined in the JP document): N/A

N/A: JP is launching formally in Q1 2021.

A.2.4. Vulnerable groups

Will the JP directly impact marginalized and/or vulnerable groups through a dedicated outcome or output?

- X Yes
 No

List of marginalized and vulnerable groups	Dedicated Outcome	Dedicated Output	Status (planned/in progress/complete)
Women and girls		X	Planned
Children			
Youth			
Persons with disabilities			
Older persons			Planned activities targeting pension reform and financial sustainability
Minorities (incl. ethnic, religious, linguistic...)			

Indigenous peoples			
Persons of African Descent (when understood as separate from minorities)			
Migrants			
Refugees & asylum seekers			
Internally displaced persons			
Stateless persons			
Persons deprived of their liberty			
Peasants and rural workers			
Human rights defenders (incl. NGOs, journalists, union leaders, whistleblowers...)			
LGBTI persons (sexual orientation and gender identity)			
Persons affected by (HIV/AIDS, leprosy...)			
Persons with albinism			
Victims or relatives of victims of enforced disappearances			
Victims of (slavery, torture, trafficking, sexual exploitation and abuse...)			

[A.2.5. Learning and sharing](#)

N/A: JP is launching formally in Q1 2021.

A.3 Update on events and partnerships

[A.3.1. Events](#)

Type of event	Yes	No	Comments
JP launch event	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Planned Q1 2021
Annual donors' event*	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	TBD
Partners' event **	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	TBD

*the Fund donor countries are Denmark, European Union, Germany, Ireland, Luxembourg, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland. Please note that this event can be held together with a launch event or partners' event.

** Key advocacy outreach events with high level JP partners.

[A.3.2. Partnerships](#)

Did your Joint Programme facilitate engagement with with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)?

- X Yes
- No

Significant outreach and mutli-stakeholder dialogue in advance of launch, including to support design and re-programming to align with COVID-19 priorities.

- *Stakeholders consultations on programme design included: MOF (main RGOB partner), GNHC (main RGOB partner), RMA, RSEB, MOH, UNDP (PUNO), UNICEF (PUNO), RCO, ADB, and World Bank.*
- *JP was also presented to and discussed with the full UNCT, including to identify areas for wider support and collaboration beyond the PUNOs. JP was fully integrated into the Bhutan UNCT COVID-19 SERP as the main priority in the UN's macroeconomic support pillar.*

A.3.3. Additional financing

- Yes
 No

Source of funding	Yes	No	Co-funding or Co-financing?	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input type="checkbox"/>	<input type="checkbox"/>				
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
PUNOs	<input type="checkbox"/>	<input type="checkbox"/>				
Other partners	<input type="checkbox"/>	<input type="checkbox"/>				

A.4 Strategic communications

Did the JP develop a strategic communications plan?

- Yes
 No

Strategic communications plan to be developed in Q1 2021 parallel to programme launch.

B. Annual Results (MAXIMUM 3 PAGES)

B.1. SDG acceleration

List up to 3 main SDG targets that your Joint Programme primarily focused in 2020.

SDG: N/A

SDG: N/A

SDG: N/A

N/A: JP is launching formally in Q1 2021.

B.2. Contribution to Fund's global results

N/A: JP is launching formally in Q1 2021.

B.3. JP Outputs and outcomes

- Achievement of outputs

N/A: JP is launching formally in Q1 2021.

- Achievement of outcomes

N/A: JP is launching formally in Q1 2021.

B.4. Strategic Documents

Did the JP produce strategic documents in the last year (policy, strategies, analyses/assessments, methodological documents, and other relevant documents)?

Yes

No

C. Plan for the Next Year of implementation (MAXIMUM 2 PAGES)

C.1 Upcoming activities

Q1 2021 will bring the official launch of the JP, including the inception phase. The work programme also includes the following key activities:

- Review and update existing and potential financial flows and gaps in light of COVID-19 and possible graduation from LDC status.
- Identification of traditional and innovative potential financing opportunities and strategies to access them.
- Capacity building on new financing instrument(s).
- Preparation of guidelines for engagement with Development Partners and update of External Resource Management System.
- Advocacy, capacity building and resource mobilization for Accelerating Mother and Child Health (AMCH) services.
- Capacity building of government agencies on new resource allocation mechanisms.
- Assess and institute sustainable social security system expansion (including financing) (i.e., Pension and Provident Fund).
- Review and amendment of PPP Policy and regulations.

In 2021, the JP will target the development of financing strategies to help strengthen implementation of the next Five Year Plan and further COVID-19 response. This includes identifying the resources needed to reach development targets, understanding the landscape of available public and private finance, and formulating tangible actions to support increased resource mobilization. This will also include explicit provisions related to climate and biodiversity finance, ensuring adequate resources for climate adaptation and mitigation activities and the sustainability of the natural environment. The JP will also support the RGoB in developing a long-term health financing strategy and related possible interventions.

The 2021 work programme will also support increasing the effectiveness of resource allocation in support of sustainable development priorities. This includes especially enhancing the alignment of planning and financing processes and approaches to prioritizing public and private investments, including refinement of current resource allocation formula, review of efficiency and effectiveness of block grant system for sub-national governments, and strengthening the capacity of partners on result-based budgeting. Finally, the JP aims in 2021 to address the limited level of private capital leveraged to support SDG achievement through targeted support to the enabling environment, especially through PPPs by reviewing and amending current PPP regulations.

C.2. Expected changes

No expected changes at this time.

C.3. Risks and mitigation measures

Are there any changes made/expected to be made to the Risk Matrix?

- Yes
 X No

The risk mitigation plan was reviewed in 2020 to ensure relevance for the revised programme.

Annex 1: Consolidated Annual Results

1. JP contribution to global programmatic results (annual)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Update table below)

Indicators	Target 2020	Result 2020	Target 2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope(for other/ additional sector/s or through new sources/means)	N/A	N/A	N/A
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale(for the same multi-sectoral solution.)	N/A	N/A	N/A

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented (Update table below and provide details as requested)

Indicators	Target 2020	Result 2020	Target 2021	List of strategies/ frameworks developed
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	N/A	N/A	1	
4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners	N/A	N/A	1	
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	N/A	N/A	1	

2. Selected global performance indicators (annual)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence in 2020?

- Yes, considerably contributed
 X Yes, contributed
 No

Explain briefly: *Integrated JP into SERP as key UNCT activity in the macroeconomic support pillar; JP also discussed with and presented to full UNCT to identify areas for deeper collaboration.*

2.2. Did your Joint Programme contribute to reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes?

- Yes,
 X No
 N/A (if there are no other joint programmes in the country)

Explain briefly: *N/A: JP is launching formally in Q1 2021.*

2.3. Was your Joint Programme aligned with the UNCT Results Groups in 2020?

- X Yes
 No

Explain briefly: *JP indicators integrated directly into revised UNSDP indicator framework.*

3. Results as per JP Results Framework (annual)

N/A: JP is launching formally in Q1 2021.

Result / Indicators	Baseline	Expected 2020 Target	2020 Result	Reasons for variance from planned target (if any)	Expected 2021 target	Expected final target (if different from 2021)
Outcome 1:						
Outcome 1 indicator						
Outcome 1 indicator						
Output 1.1						
Output 1.1 indicator						
Output 1.1 indicator						

Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it

2. Strategic documents for which JP provided contribution

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it

Annex 3: List of strategic communication documents

N/A: JP is launching formally in Q1 2021. Strategic communications planning to be launched in parallel.

1. Have you created a strategic communication plan for the Joint Programme?

- Yes
 No

Explain briefly:

2. What percentage of the annual budget towards communications was utilized from the total budget? (Note that the entire JP comms budget must be min 5% of the total JP budget)

Explain briefly:

3. Have visibility outcomes increased due to the provided funding for JP strategic communications?

- Yes
 No

Explain briefly:

4. Does the Country Profile Page on the Joint SDG Fund website contribute to your JP outreach?

- Yes
 No

Explain briefly:

5. How many articles (interviews, human interest stories, press releases, expert insights, etc) about your JP were published by an external media outlet (Non-UN published)?

Total number:

Explain briefly:

6. How many articles (interviews, human interest stories, press releases, expert insights, etc) about the Joint Programme were published by the UNCT and JP PUNOs?

Total number:

Explain briefly:

7. Have you received an increase of social media followers?

- Yes
 No

Total number: (Not mandatory)

Explain briefly:

Multi-Media Faucets

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exists)

Social Media Campaigns

- *Complete the table by focusing on the highest social media impressions or campaigns. Provide hyperlinks when possible.*

Title of the document	Type (FB/Twitter/LinkedIn/Etc.)	Brief description and hyperlink (if it exists)

Annex 4: Updated JP Risk Management Matrix

Risks	Risk Level: <i>(Likelihood x Impact)</i>	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Programmatic risks					
Institutional risks					
Fiduciary risks					