



Outcome Evaluation

Energy and Environment

UNDP Bhutan

April 2004

Table of Contents

| | |
|--|-----------|
| ACRONYMS | ii |
| EXECUTIVE SUMMARY | iv |
| I. INTRODUCTION | 1 |
| II. COUNTRY DEVELOPMENT CONTEXT | 5 |
| III. FINDINGS AND CONCLUSIONS | 12 |
| 1. POLICY IMPACT | 12 |
| 1.1 Outcome Analysis | 12 |
| 1.2 Driving Forces | 13 |
| 1.3 UNDP Outputs..... | 14 |
| 1.4 Partnerships | 18 |
| 1.5 Conclusion..... | 18 |
| 2. INTEGRATION | 19 |
| 2.1 Outcome Analysis | 19 |
| 2.2 Driving forces | 21 |
| 2.3 UNDP Outputs..... | 21 |
| 2.4 Partnerships | 25 |
| 2.5 Conclusion..... | 25 |
| 3. CAPACITY DEVELOPMENT | 26 |
| 3.1 Outcome Analysis | 26 |
| 3.2 Driving Forces | 27 |
| 3.3 UNDP Outputs..... | 27 |
| 3.4 Partnerships | 28 |
| 3.5 Conclusion..... | 28 |
| IV. SUMMARY OF FINDINGS | 30 |
| V. LESSONS LEARNED | 30 |
| VI. RECOMMENDATIONS | 31 |

List of Tables

| | |
|--|----|
| Table 1: Policy Impact of UNDP Outputs | 17 |
| Table 2: Integration Impact of UNDP Outputs | 24 |
| Table 3: Capacity Development Impact of UNDP Outputs | 29 |

List of Figures

| | |
|--------------------------------------|---|
| Figure 1: The Results Chain | 1 |
| Figure 2: The Path to Outcomes | 3 |

List of Annexes

| | |
|--|----|
| Annex 1: Terms Of Reference | 36 |
| Annex 2: People Met..... | 44 |
| Annex 3: Itinerary | 46 |
| Annex 4: List of People Present at the Presentation of Preliminary Findings, 21 April..... | 48 |
| Annex 5: Documents Reviewed | 49 |
| Annex 6: UNDP Environment Projects and Outputs | 51 |

ACRONYMS

| | |
|--------|---|
| BAP | Biodiversity Action Plan |
| BIBIS | Bhutan Integrated Biodiversity Information System |
| BSAP | Biodiversity Strategy and Action Plan |
| BTF | Bhutan Trust Fund for Environmental Conservation |
| CBD | Convention on Biological Diversity |
| CDM | Capacity Development for Clean Development Mechanism |
| CITES | Convention on the International Trade of Endangered Species |
| CNRMP | Community-based Natural Resources Management Plan |
| DADM | Department of Aid and Debt Management |
| DANIDA | Danish International Development Agency |
| DFS | Department of Forestry Services |
| DYT | Dzongkhag Yargye Tshogdu |
| EA | Environment Assessment |
| EFRC | Environment Friendly Road Construction |
| EIA | Environmental Impact Assessment |
| ESPS | Environment Sector Programme Support |
| FMU | Forest Management Unit |
| FPUD | Forest Protection and Utilization Division |
| FRDD | Forest Resource Development Division |
| FYP | Five-Year Plan |
| GEF | Global Environmental Facility |
| GHG | Green House Gas |
| GLOF | Glacial Lake Outburst Flood |
| GTZ | German Technical Cooperation |
| GYT | Geog Yargye Tshogdu |
| ICDP | Integrated Conservation and Development Programme |
| ICIMOD | International Centre for Integrated Mountain Development |
| ICT | Information and Communication Technology |
| IPPC | International Plant Protection Convention |
| JDNP | Jigme Dorji National Park |
| LINKPA | Linking and Enhancing Protected Areas |
| MEAP | Micro Environmental Action Plan |
| MoA | Ministry of Agriculture |
| MTR | Mid Term Review |
| NAPA | National Adaptation Programme of Action |

| | |
|--------|--|
| NBC | National Biodiversity Centre |
| NCD | Nature Conservation Division |
| NCSA | National Capacity Self-Assessment |
| NEC | National Environment Commission |
| NECS | National Environment Commission Secretariat |
| NHDR | National Human Development Report |
| PSC | Project Steering Committee |
| RBM | Result Based Management |
| RGOB | Royal Government of Bhutan |
| RNR | Renewable Natural Resources |
| RNRRC | Renewable Natural Resources Regional Centre |
| RSPN | Royal Society for the Protection of Nature |
| SALT | Sloping Agriculture and Technology |
| SDA | Sustainable Development Agreement |
| SDC | Swiss Development Cooperation |
| SDS | Sustainable Development Secretariat |
| SEA | Strategic Environmental Assessment |
| SFD | Social Forestry Development |
| SNV | Netherlands Development Organization |
| SPPD | Solar Energy Review Programme |
| SRF | Strategic Results Framework |
| SURF | Sub-Regional Resource Facility |
| TNP | Thrum Singh La National Park |
| UNCED | United Nations Conference on Environment and Development |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environmental Programme |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNV | United Nations Volunteers |
| WHC | World Heritage Convention |
| WSSD | World Summit on Sustainable Development |
| WWF | World Wildlife Fund for Nature |

EXECUTIVE SUMMARY

Introduction

This evaluation takes stock of Bhutan's efforts to develop and implement a holistic approach to sustainable development through the integration of environmental management in development planning and poverty reduction and through the adoption of policies and capacity development enabling equitable and sustainable natural resource management regimes. It identifies strengths and weaknesses in the pursuit of this outcome and proposes measures to increase the relevance, effectiveness and efficiency of UNDP cooperation in these areas.

To address some methodological shortcomings of the SRF, the SRF outcome was interpreted according to the scope and objectives of UNDP service lines and the composition of the project portfolio. As a result, the outcome was defined broadly and disaggregated into three components:

- *Global environment concerns and commitment integrated in ... national policy*
- *... and in national development planning*
- *Capacity Development*

Findings and Conclusions

The outcome evaluation documented the significant progress made in the last 4 years on integrating global environmental concerns in the national development agenda through policy development and capacity building. The policy and regulatory framework was significantly strengthened in the review period with the adoption of a number of critical policies and laws. The 9th Plan was a landmark in further integrating environmental concerns in national development planning, and anchoring the planning process at the local level. Capacity development at the central level has continued at a fast pace and provided the engine for the above-mentioned achievements.

Still, a number of challenges remain. The ambitious decentralization process has profoundly altered the landscape of policy-making and implementation, and capacities at the local level lag behind. Bhutan's rapid development will necessitate an increased emphasis on the "brown sector", in order to ensure that the green agenda remains largely intact. The evaluation mission is confident that the RGOB will be able to tackle these challenges in an efficient and effective manner.

UNDP has been and will hopefully continue to be an important partner for the RGOB in the area of environmental management and conservation. The partnership is sound, and is largely centred on global environmental issues, given the predominant funding window of the GEF. While the current portfolio is not very large in terms of actual volume and compared to some bilateral donors; and many projects are of a preparatory nature and somewhat disconnected, a couple of these projects had significant impacts, particularly in the areas of biodiversity conservation and climate change. In relation to "soft assistance", despite UNDP staff playing a critical role in contributing to seminars, discussions, and papers, RGOB counterparts often have an information edge due to their regular participation in international meetings and the savvy use of ICTs. With regard to donor coordination, the RGOB's strong ownership in this area has left UNDP with a relatively small role in terms of shaping policy positions among developing

partners. However, donors expressed interest in UNDP facilitating donor discussion on specific themes.

Going beyond the scope of outcome orientation, the relationship between Government and UNDP is shaped by mutual respect for the respective skills, commitments and responsibilities. The high level of competence and professionalism among the RGOB counterparts has been matched by flexibility and responsiveness in the UNDP Country Office.

Based on the solid foundation of this trusted partnership with the RGOB, UNDP is now in a good position to introduce a more strategic orientation in its environment programme, revisit its resource mobilization strategy by reaching out to external partners and develop its comparative edge in regional and global advisory services and other forms of soft assistance.

Lessons Learned

- Policy impacts are often more sustainable if achieved through demonstration projects.
- Environmental goals and results are intricately linked to broader political and governance structures.
- Integration is a function of organizational integration.
- Capacity development needs to look beyond project duration for long-term impact.
- Capacity development can be more effective if built on a complementary range of methods.
- UNDP's comparative advantage as a neutral and trusted development partner is a prime asset.
- Outcome evaluations face the dilemma of balancing outcome and UNDP focus.

Recommendations

- Organize regular technical meetings on project approaches, best practices, lessons learnt, etc.
- Document soft assistance activities to better assess their impact.
- Draw increasingly on knowledge services available through Regional Programmes and SURFs to assist RGOB with best practices, lessons learned in select areas of policy development and implementation.
- Adopt a project approach that focuses on demos and pilots to inform policy development, thereby establishing and improving micro-macro linkages.
- Conduct impact assessment of capacity development efforts within NCSA.
- Use UNVs as long-term, low-cost mode of "hands-on" capacity building.
- Identify possibilities for a collaborative partnership with RGOB in the area of natural disaster management.
- Reorient project portfolio around two clusters (biodiversity and energy/climate change), and possibly disaster management.

- Strengthen synergy and linkages between environmental management institutions, eg. through the institutionalization of an inter-agency information network.
- Explore a potential GEF project on financial sustainability strategy for protected areas through demonstration activities in pilot sites.
- Provide medium-term, specialization training to conservation field staff.
- Develop a programme strategy on renewable energy/energy efficiency, drawing on resources from the Regional Energy Initiative, the Thematic Trust Fund for Energy and GEF.
- Conduct an assessment of local-level natural resources planning efforts with support from the Regional Environmental Governance Programme.
- Develop and integrate environment and natural resource indicators into poverty assessment and monitoring mechanisms.
- Explore with RGOB (and other stakeholders) possible partnerships in the development of economic valuation approaches for the environment.

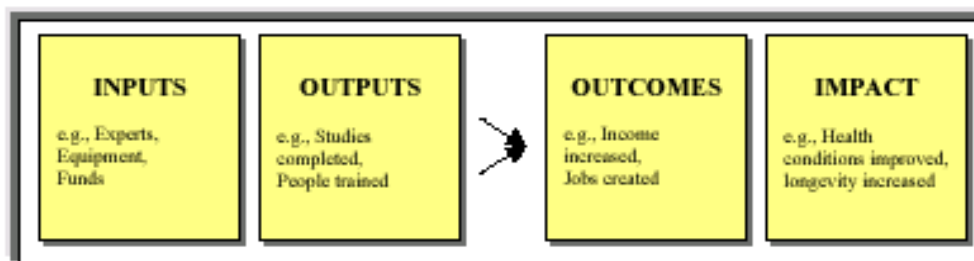
I. INTRODUCTION

The growing demand for development effectiveness is largely based on the realization that producing good deliverables is simply not enough. Efficient or well-managed development projects and outputs will lose their relevance if they yield no discernible improvements in development conditions and ultimately in people's lives. Being a key international development agency, the United Nations Development Programme (UNDP) has been increasing its focus on achievement of clearly stated results. Nowadays, results-based management (RBM) has become UNDP's management philosophy.

As part of its efforts in enhancing RBM, UNDP has shifted from traditional project monitoring and evaluation (M&E) to results-oriented M&E, especially outcome monitoring and evaluation that cover a set of related projects, programmes and strategies intended to bring about a certain outcome.

Outcomes are developmental changes between the completion of outputs and the achievement of impact, and are achieved in partnership with others. Partners are agents or actors with whom UNDP has, or intends to have, a substantive relationship in the pursuit of common outcomes. Partners may include stakeholders, if they are involved in working towards the outcome; beneficiaries of outcome actions; and donors involved in some way with UNDP on the outcome. Figure 1 illustrates how outputs and outcomes inter-relate during the process of achieving results.

Figure 1: The Results Chain



An outcome evaluation assesses how and why an outcome is or is not being achieved in a given country context, and the role that UNDP has played. Outcome evaluations also help to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative), recommend actions to improve performance in future programming, and generate lessons learned.

According to the evaluation plan of UNDP Bhutan, an outcome evaluation was scheduled for the first quarter of 2004 for the following outcome of the Strategic Results Framework (SRF) of UNDP Bhutan; "**Global environment concerns and commitment integrated in national development planning and policy**". A detailed results framework for the outcome is summarized below:

Intended Outcome: Global environment concerns and commitment integrated in national development planning and policy.

Outcome Indicators: Five Year Development Plan; national strategy and plan documents; national policy, legal and regulatory frameworks.

Baseline (2000): The past Five Year Development Plans included sectoral approach to environmental management mostly ingrained in the RNR sector. National authorities and local communities lacked adequate capacity to address key environmental issues.

End SRF Target (2003): Global environment concerns and commitment integrated into 9th Five year Plan; National Biodiversity strategy and Action Plan developed and implemented; capacity of national authorities and local communities strengthened to address key environmental issues.

This evaluation takes stock of Bhutan's efforts to develop and implement a holistic approach to sustainable development through the integration of environmental management in development planning and poverty reduction and through the adoption of policies and capacity development enabling equitable and sustainable natural resource management regimes. It identifies strengths and weaknesses in the pursuit of this outcome and proposes measures to increase the relevance, effectiveness and efficiency of UNDP cooperation in these areas.

Methodology¹

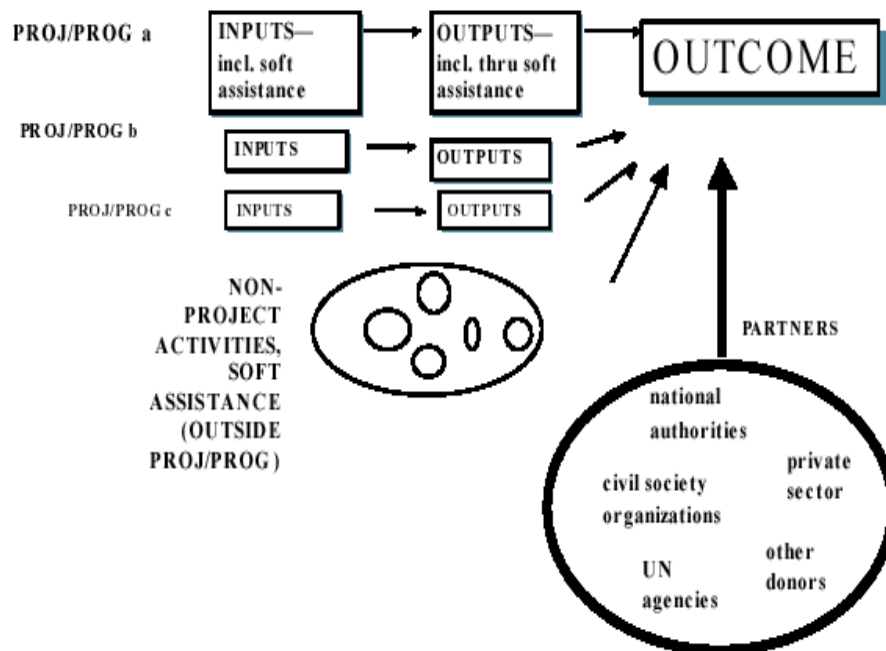
Following the *Guidelines for Outcome Evaluators*, the four standard objectives of an outcome evaluation are as follows:

- Assess progress towards the outcome;
- Assess the factors affecting to the outcome;
- Assess key UNDP contributions (outputs), including those produced through "soft" assistance, to outcomes;
- Assess the partnership strategy.

Figure 2 illustrates these four major components and their interplay in the evaluation process.

¹ See also Annex 7 for some methodological constraints and caveats

Figure 2: The Path to Outcomes



The evaluation team, which consisted of Mr. Ugen P. Norbu (National Consultant), Dr. Sabita Thapa (SURF Kathmandu), and Dr. Gernot Brodnig (SURF Kathmandu, Team Leader), conducted the evaluation in three stages:

- In the first phase, the evaluation team familiarized itself with the various UNDP project and non-project activities. To this end, the mission conducted a desk review of relevant documents, and held discussions with programme staff, RGOB counterparts and representatives from partner agencies.
- In the second phase, the team embarked on a field trip to Jigme Dorji National Park and Thrumshing La National Park, both field sites for two major UNDP projects. This field trip not only included interactions with park staff, but also gave the evaluation team a chance to meet with district and geog officials.
- In the third phase of the evaluation, the team held additional meetings with other stakeholders, compiled the data in draft sections of the evaluation report, refined indicators and assessment criteria and presented draft findings to UNDP and RGOB counterparts.

Throughout the mission, the evaluators held regular meetings with the Environmental Focal Team (see TOR), which provided invaluable feedback and guidance to improve and refine findings and conclusions in an iterative and participatory manner.

At the outset of the evaluation, a number of important methodological decisions were taken, in order to ensure that this evaluation represents a meaningful exercise whose scope matches the time and resources available:

Scope of Outcome

The environment outcome of the SRF is overly narrow. It seems to be limited to the integration of global environmental issues in national development planning. While integration environmental concerns at the policy level is indeed a central corporate priority and reflects UNDP's comparative advantage in this domain, it is by far not the only area of support. An outcome evaluation based on a narrow reading of the SRF would remain largely reductionist and distort the results and challenges of the last four years.

It was, therefore, agreed that the evaluation team would interpret the SRF outcome according to the scope and objectives of UNDP service lines and the composition of the project portfolio. As a result, the outcome was defined broadly and disaggregated into three components:

Global environment concerns and commitment integrated in ... national policy

This component by and large captures UNDP's emphasis on a holistic concept of sustainable development at the policy level and its translation into comprehensive legal and policy frameworks.

... and in national development planning

As a development organization, UNDP is committed to a reconciliation of development objectives and environmental considerations through various integration avenues that include the "greening" of national development plans and poverty reduction strategies, institutional capacity-building on environmental issues for development actors and the promotion and application of tools such as Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA), "green accounting", and sustainable finance.

Capacity Development

This third dimension is absent from the outcome but appears in the baseline and SRF target. The mission feels that capacity building underlies to a large degree any efforts of policy development and integration and has been part and parcel of UNDP's core mandate and comparative advantage. Furthermore, most projects in the UNDP Bhutan environment portfolio contain capacity development components.

Indicators

Some of the outcome indicators also had to be sharpened. The evaluation team adopted the following indicators for the three outcome components:

- National policies, strategies, laws and regulations on global environmental issues adopted (*policy impact*)
- Objectives and targets of environmental policies reflected in national development planning framework, and government mechanisms for planning and monitoring integrated sector strategies and programmes established (*integration*)
- Human and financial resources of pertinent institutions increased and strengthened (*capacity development*)

These methodological considerations determine the structure of the report. Following the introduction, we provide a brief overview of the country development context to set the stage for the main section on findings and conclusions. The latter is divided into three chapters

corresponding to the outcome components highlighted above. Each chapter starts with a review of the progress towards the outcome, identifies and analyses factors that contributed positively or negatively to the outcome, discusses the impact of UNDP project and soft assistance as well as the organization's partnership strategies in achieving the outcome. The report concludes with summary observations, lessons learned and recommendations.

II. COUNTRY DEVELOPMENT CONTEXT

1. General Development Scenario

Modern development in Bhutan began with the inception of the First Five Year Plan (FYP) in 1961. Since then, the country has implemented eight FYPs and is now midway into the implementation of the 9th FYP (July 2002 – June 2007). Over the years, the country has made remarkable progress in most spheres of national development – “remarkable” especially because it has been achieved without compromising the country's environmental capital and cultural integrity. “Gross National Happiness is more important than Gross National Product” – a statement made by His Majesty King Jigme Singye Wangchuck – enunciates the country's development philosophy. Around the main tenet of Gross National Happiness, Bhutan has designed its Vision Statement, *Bhutan 2020: A Vision for Peace, Prosperity and Happiness*. The Vision Statement is a strategy document to guide implementation of FYPs. For the 9th FYP, Bhutan has adopted five overall goals: improving quality of life and income, especially of the poor; ensuring good governance; promoting private sector growth and employment generation; preserving and promoting cultural heritage and environment conservation; and achieving rapid economic growth and transformation.

The Bhutanese economy is predominantly agrarian, with 79 per cent of the population living in rural areas and subsisting largely on an integrated system of agriculture, livestock rearing and forest products use – collectively known as renewable natural resources (RNR). So, rural development and RNR management are extremely crucial for the nation's progress. A key sector for economic development is hydropower, which is currently the largest contributor to the national revenue. During the 9th FYP, the RGOB plans to electrify an additional 15,000 rural households, a three-fold increase from the target of 5,000 households in the 8th FYP. In addition to rural electrification, the 9th FYP will also promote renewable energy (solar, wind, biogas, mini/micro hydels) particularly to cover those areas where rural electrification will not be viable due to high costs, dispersed population and difficult terrain. Tourism is another significant sector for the national economy. The country's “high value, low impact” tourism policy and relatively well-preserved cultural and natural heritage lend to the “exclusivity” factor, allowing the country to reap the benefits of tourism sustainably.

Preservation of its rich cultural heritage and natural environment has been consistently a pivotal feature in the country's development agenda. Strong conservation ethics, underpinned by the traditional reverence for nature, have influenced the country's approach to environment long before global concerns for environment were raised. 72.5 per cent of the country is under forest cover; nearly all of it being natural vegetation and the RGOB has adopted a policy resolution to maintain at least 60 per cent of the country under forest cover in perpetuity. In addition, the country has established a comprehensive system of national parks, wildlife sanctuaries, strict nature reserve and biological corridors.

The country is dedicated to establishing a system of governance that promotes well-being and happiness of its citizens. The enactment of the *Dzongkhag Yargye Tshogdu* and *Geog Yargye Tshogchung Chathrims* in July 2002, empowers local communities with greater authority and responsibilities than ever before to decide, plan and manage development programmes at the community level. The 9th FYP, therefore, is a period of a big challenge to build this new paradigm of development governance through experiential learning and capacity development.

2. Environmental Status and Key Concerns

Bhutan's natural environment is perhaps one of the most outstanding in the world. Stable and farsighted political leadership, low population size, traditional reverence for nature, delayed modernization, environmentally sensitive development policies, and rugged topography have all contributed to the nation's positive state of environment. Diversity in wild flora and fauna is one of the highest in Asia. The country's wild fauna includes some of the most threatened and charismatic species on earth, such as the Bengal tiger (*Panthera tigris tigris*), Asian elephant (*Elephas maximus*), snow leopard (*Uncia uncia*), golden langur (*Presbytis geei*), black-necked crane (*Grus nigricollis*), white-bellied heron (*Ardea insignis*) and the national animal, Takin (*Budorcas taxicolor*). It is, therefore, little wonder that the country is often dubbed as a crown jewel of the Eastern Himalayas – a region recognized as one of the ten global biodiversity hotspots. Apart from having more than 72 per cent forest coverage, the country has established a comprehensive protected areas system made up of four national parks, four wildlife sanctuaries and a strict nature reserve, representing all major ecosystems and collectively encompassing more than 26 per cent of its territory. These protected areas are connected by biological corridors, which account for another nine per cent of the country's area.

Bhutan's natural environment is also of enormous importance for its watersheds. There are five major watersheds, namely Wang Chhu, Puna Tsang Chhu, Mangde Chhu, Kuri Chhu, and Dangme Chhu, in the country. The upstream part of these watersheds includes 677 glaciers and 2,674 glacial lakes. The security of these watersheds is crucial to sustain hydropower development and agriculture. Apart from the Bhutanese, these watersheds are of immense ecological and economic consequence to the downstream communities in India and Bangladesh as well.

Although the country is committed to ensuring a future where the natural environment is still intact, pressures are mounting due to an array of forces such as rapid population growth, infrastructure development and market expansion. Around urban concentrations and in several rural places especially in eastern and southern Bhutan, where population density is high and human activity intense, localized deforestation has occurred and there is a paucity of forest products such as fuelwood and house-building timber.

With regard to climate change, Bhutan stands out as one of the very few countries with greenhouse gas (GHG) sequestration capacity. This is largely due to vast forest cover, limited industrialization, and use of clean energy. While current levels of GHG emissions are relatively insignificant, there is likely to be a trend of increase in emission from some of the GHG sources, e.g. road transport especially in Thimpu and Phuentsholing. Regulatory measures are being adopted to check vehicular emissions. Also, efforts are ongoing to promote use of alternate energy and improved cooking/ heating devices to reduce fuelwood consumption, which at 1.27 tons per person per annum is one of the highest in the world.

While Bhutan itself is a net GHG sequester, the country, given its fragile mountain ecosystem, is highly vulnerable to the impacts of climate change caused by GHG emissions by other countries. Some of glaciers in the country are reported to be retreating by about 20 to 30 meters in a year and 24 glacial lakes are classified as potentially dangerous in the ICIMOD/ UNEP

inventory report. Unusual weather conditions have also become frequent. For example, the winter of 1998/99 was characterized by a prolonged spell of dry (snowless) weather. Subsequently, the summer of 2000 was witness to the worst ever monsoon rains in the country's recent history. Recognizing that climate change can have very serious economic, social and ecological consequences to the country, Bhutanese authorities are starting to develop a National Adaptation Programme of Action (NAPA) for climate change with UNDP/GEF support.

3. Institutional Setting for Environmental Conservation

Environmental conservation as a national programme started in 1952 with the creation of the Department of Forests (now the Department of Forestry Services under the Ministry of Agriculture). Until the early 1990s, the country's environmental conservation programme was by and large limited to forest and wildlife conservation by the Department of Forests. Over the years, the scope and institutional framework for environmental conservation have expanded. The principal organizations working on environmental conservation are:

The National Environment Commission (NEC) is an autonomous government agency for cross-sectoral policy oversight, coordination and formulation, advisory services, and ensuring that environmental factors and concerns are considered in the development and implementation of policies, plans, programmes and projects.

The Ministry of Agriculture (MoA) is the overall authority for management of renewable natural resources, including forests and wildlife. Within the MoA, the principal agencies for environmental conservation are the Department of Forestry Services (DFS) and the National Biodiversity Centre (NBC). The DFS is responsible for the management of forest resources and wild biodiversity. Within the DFS, there is the Nature Conservation Division (NCD), which is the nodal agency for in situ conservation of wild biodiversity through creation and management of protected areas, buffer zones and biological corridors. Other functional divisions for forestry services are the Divisions of Forest Protection and Utilization (FPUD), Forest Resource Development (FRDD) and Social Forestry (SFD).

The NBC, which became operational in July 1998, was formally established to oversee and ensure the implementation of the Biodiversity Action Plan. It serves as a national focal institute for overall coordination of biodiversity conservation activities and for developing ex-situ biodiversity conservation facilities.

The Ministry of Trade and Industry and its various departments such as the Department of Energy, Department of Geology and Mines, and Department of Industries carry out activities to promote environment friendly energy, assess geologic hazards and risks, and implement environmental guidelines on industrial and mining operations. The Road Safety and Transport Authority, with support from the NECS, has initiated enforcement of vehicular emission standards.

The Nature Conservation Division is aided by the Department of Revenue and Custom in the implementation of legal controls and regulations on trade in wildlife parts and products. At the local level, *Dzongkhag* Administrations and increasingly the *Geog Yargye Tshogchungs* have the role and responsibility to implement environmental activities as a part of their overall development agenda.

The Bhutan Trust Fund for Environmental Conservation (BTF) is also a key player for the development of environmental management in the country. It is an independent grant management organization to sustain environmental conservation work in the country. Under the

guidance of a fully nationalized high-level management board since 2001, the BTF operates with annual incomes generated by endowment now totalling more than US\$ 30 million.

Although the NGO act is not enacted, The Royal Society for the Protection of Nature (RSPN) being one among the few organizations in the country functioning in a manner similar to an NGO. It is the only one that is exclusively dedicated to environmental conservation. The forte of the RSPN is environmental education and this is very well reflected in the vast network of school nature clubs that they have created and sustained across the country.

4. Environmental Policy and Legal Framework

The following provides the policy and legal framework for environmental conservation in the country.

Forest and Nature Conservation Act, 1995. The first environmental legislation to be passed in Bhutan was the Bhutan Forest Act, 1969, which brought all forest resources under government custody with the intent to control excessive forest exploitation and regulate forest utilization. This law was repealed in 1995 with the enactment of the Forest and Nature Conservation Act, 1995, in keeping with evolving conservation needs and to allow for community stewardship of forests. The MoA has adopted Forest and Nature Conservation Rules 2000 to support the implementation of this Act.

National Forest Policy, 1974. The essence of this Policy is primarily on conservation of forests and associated resources for their ecological values and secondarily on forest exploitation for economic benefits.

National Environment Strategy, 1998. This Strategy outlines environmentally sustainable economic development avenues for the country. It identifies hydropower development based on integrated watershed management, agriculture based on sustainable practices, and industrial expansion based on effective pollution control measures and environmental legislation as the main avenues of sustainable economic development.

Environmental Assessment Act, 2000. This Act establishes procedures for the assessment of potential effects of strategic plans, policies, programmes and projects on the environment, and for the determination of policies and measures to reduce potential adverse effects and to promote environmental benefits. To support the implementation of the Act, the NEC has adopted the Regulation for the Environmental Clearance of Projects and Regulation on Strategic Environmental Assessment, 2002.

Biodiversity Act of Bhutan, 2003. This Act asserts the sovereignty of the country over its genetic resources, the need to promote conservation and sustainable use of biodiversity resources as well as equitable sharing of benefits arising from sustainable use, and the need to protect local people's knowledge and interests related to biodiversity. It lays down the conditions for the grant of access, benefit sharing, and protection, and describes various rights, offences and penalties.

Dzongkhag Yargye Tshogdu and Geog Yargye Tshogchung Chathrim 2002. These *Chathrim*s comprise a number of legal provisions for decentralized policy and decision-making in matters related to environmental management, including those concerning protection of forests and associated resources, control of environmental pollution and prevention of land degradation at the local level.

Other Relevant Policies and Legislations. These include: the Land Act, 1979; Livestock Act and By-Laws, 1980; Mines and Minerals Management Act, 1995; Water and Sanitation Rules, 1995; Pasture Development Act, 1997; Biodiversity Action Plan for Bhutan, 1998, and its updated version, 2002; Plant Quarantine Act 1993; and Pesticides Act 2000.

5. Participation in Global Environmental Management

Bhutan's attendance at the UNCED 1992 marked the nation's increasing participation in global environmental management efforts. The country ratified the CBD and UNFCCC in 1995, and acceded to the UNCCD in 2003. In addition to these three "Rio" Conventions, the country is Party to some seven other environment related international conventions and protocols as shown below:

- UN Convention on the Law of the Sea, signed in 1982
- International Plant Protection Convention (IPPC), instrument of adherence submitted in 1994
- Instrument of accession to the Cartagena Protocol on Biosafety (under the overall framework of CBD) submitted in 2002
- Instrument of accession to the Kyoto Protocol (under the overall framework of UNFCCC) submitted in 2002
- World Heritage Convention (WHC), acceded to in 2001
- Basel Convention on Transboundary Movements of Hazardous Wastes and their Disposal, acceded to 2002
- CITES, acceded to in 2003

Under the CBD, Bhutan produced its first Biodiversity Action Plan in 1998 and an updated version in 2002, and under the UNFCCC, it produced the Initial National Communication and the First National Greenhouse Gas Inventory in 2000. At the World Summit on Sustainable Development 2002 held in Johannesburg, the country presented the National Assessment of Agenda 21, aptly titled *Bhutan: The Road from Rio*, giving a succinct yet comprehensive account of the country's path and progress in the implementation of Agenda 21 outlined at UNCED 1992. The development of NAPA under the framework of UNFCCC has been initiated too.

6. UNDP Environment Portfolio

Since the beginning of its programme in Bhutan in 1974, UNDP has remained a major development catalyst in the country. The foundation of its work has been to ensure that progress is based on people – their needs, aspirations and rights – a principle that harmonizes with the RGOB's holistic approach to development based on the tenet of "Gross National Happiness". The focus of UNDP's work in the country is in the areas of good governance, poverty reduction and economic development, energy and environment, and information and communications technology. UNDP assistance to development of environmental management in the country between 2000 and 2003 consists of the following ongoing and recently completed projects:²

Biodiversity Focal Area:

- BHU/96/G32: National Biodiversity Conservation Strategy (1997-2004) with UNDP/ GEF funding (USD 281,546)

² For a detailed listing of projects and their intended outputs see Annex 6

- BHU/96/G33: Integrated Management of Jigme Dorji National Park (1997-2003) with UNDP/ GEF funding (GEFUSD 1,500,000 & UNDP TRAC USD 270,662, RGOB in kind USD 378,569) – completed
- BHU/03/G35: Linking and Enhancing Protected Areas in the Temperate Broadleaf Forest Ecoregion (2003-2007) with GEF (USD 792,000); RGOB in kind (USD 420,000) and WWF (USD 643,000) funding

Climate Change/ Energy Focal Area:

- BHU/96/G31: Bhutan National Greenhouse Gas Project (1997-2003) with GEF (USD 396,600) funding - completed
- BHU/98/G41: Mini/Micro Hydropower Development Project (1997-2003) with GEF (USD 228,500) and Swedish (USD 135,000) RGOB in kind (USD 28,000) funding – yet to commence
- BHU/01/002: Solar Energy Programme Review and Preparation of Sustainable Solar Energy Programmes and Project Proposal for Bhutan (USD 54,500) – completed

Enabling/ Multi Focal Area

- BHU/96/G81 and BHU/96/001: Strengthening Environmental Management and Education in Bhutan (1996-2002) with Capacity 21 (USD 400,000) and UNDP (USD 267,646) funding – completed
- Support to National Assessment for the WSSD (2001-02) with Capacity 21 (USD 10,000) funding - completed
- BHU/02/G41: National Capacity Self-Assessment for Global Environmental Management Project Development (2001-02) with GEF (USD 25,000) and RGOB in kind (USD 2500) funding - completed
- BHU/03/002: Support to Implementation of Micro Environmental Action Plans (2003-05) with UNDP funding (USD 180,990)

7. Other International Agencies involved in Environmental Management

Danida is one of the largest donor agencies in the country. Its Environment Sector Programme Support (ESPS) – which will be scaled down and clubbed together with Urban Sector Programme Support in the oncoming phase, starting from July 2004 – addressed natural resource management, pollution abatement and waste management, and biodiversity conservation. The Netherlands Development Organization, **SNV**, is another key development partner of Bhutan. In the field of biodiversity conservation, SNV provided technical assistance in Jigme Singye Wangchuck National Park and in institutional strengthening of NCD. It is also involved in technical assistance for Environment Friendly Road Construction (EFRC) as a part of the World Bank financed Rural Access Project. **GTZ** aims to improve coordination and inter-disciplinary planning between RNR sub-sectors at *dzongkhag* and *geog* levels, develop RNR extension services, support local communities in development of private and community forest management plans, improve forest management planning for FMUs, increase agriculture and livestock productivity, and develop infrastructure to support RNR activities. The **Helvetas** and **SDC** are among the first international development agencies to operate in Bhutan. They are involved in supporting three areas: education and culture; renewable natural resources; and rural infrastructure. Under the RNR sector, several projects are ongoing including, support to RNRRCs at Jakar, Yusipang and Bajo, and to NRTI at Lobesa, Participatory Forest Management Project, Rural Development Training Project, and East Central Region Agriculture Development Project.

WWF started supporting conservation work in Bhutan in 1977, initially focusing on staff training and provision of equipment and subsequently expanding to protected area management, keystone species conservation, anti-poaching, and ICDP. At the present, it is supporting the management of Thrumshing La National Park and adjacent biological corridors (acting as co-funding agency with GEF/UNDP), Royal Manas National Park, the conservation management planning for Sakten Wildlife Sanctuary, and implementation of ICDP Pilot Project.

III. FINDINGS AND CONCLUSIONS

1. POLICY IMPACT

1.1 Outcome Analysis

Following the SRF structure, this section of the report examines the progress of Bhutan in developing, adopting and implementing national laws, regulations, policies and strategies between 2000 and 2003. UNDP's Strategic Results Framework does not contain any substantive criteria for the various policy instruments, nor does it offer any benchmarks for policy implementation. The evaluation will therefore focus on the adoption of these instruments as the primary indicator, highlighting, however, wherever possible and appropriate specific issues of content and implementation.

At the beginning of the SRF period, in 2000, Bhutan had already a fairly comprehensive policy and regulatory framework. At the level of broad development objectives, *Bhutan 2020: A Vision for Peace, Prosperity and Happiness* (launched in 1999) had translated many elements of Bhutan's integrative and holistic development philosophy, the Gross National Product of Happiness, into a set of long-term objectives and priorities. Environmentally sustainable development was part and parcel of this vision. A year earlier, Bhutan had adopted *The Middle Path*, the *National Environment Strategy for Bhutan*, which emphasized the need for reconciling Bhutan's unique natural assets with the imperatives of development.

In the area of biodiversity conservation, the RGOB adopted in 1998 the *Biodiversity Action Plan (BAP I)*, which focused on *in-situ* conservation, and provided for the first time a strategic framework for the conservation and use of biological resources. At the regulatory level, the Forest and Nature Conservation Act of 1995 has been the main instrument for habitat and species conservation.

As regards climate change, renewable energy and energy efficiency Bhutan lacked a policy and regulatory framework before the beginning of our review period. The main instruments in the energy sector were the various power master plans, which focused primarily on hydropower development as it remains the national priority. However, the concerned Government Departments, during the mission, acknowledged the need to develop and promote other modern forms of renewable energy resources, such as solar, wind, biomass, mini/micro hydels and fuel cells.

The year 2000 represented a major breakthrough in Bhutan's quest for a comprehensive environmental regulatory framework. It was in that year that the *Environmental Assessment Act* was passed, setting up procedures for the assessment of potential effects of strategic plans, policies, programmes and projects on the environment. This Act specifies the RGOB's policies on measures to avoid or mitigate potential adverse effects on the environment due to developmental activities. This Act was followed by the

Regulation for the Environmental Clearance of Projects in April 2002, defining responsibilities and procedures for the implementation of the EA Act, 2000 concerning the issuance and enforcement of environmental clearance for individual projects. In addition, the NEC adopted in 2002 the *Regulation on Strategic Environmental Assessment (SEA)*. The purpose of this regulation is to ensure that environmental concerns are fully taken into account by all governmental agencies while formulating, renewing, modifying or implementing any policy, plan or programme, including national Five-Year Developmental Plans. This regulation also ensures that the cumulative and large-scale environmental effects are taken into consideration and to promote the design of environmentally sustainable proposals that encourage the use of renewable resources and clean technological practices. The Planning Department in the

Ministry of Finance is currently in the process of developing guidelines for the implementation of the Regulation.

The biodiversity sector also saw significant policy and regulatory developments since 2000. First and foremost, a second *Biodiversity Action Plan (BAP II)* was adopted in 2002, which significantly revised the first version by broadening the scope to include the conservation of domestic biodiversity and highlight the crosscutting dimension of biodiversity. Two years earlier, in 2000, the RGOB approved the *Forest and Nature Conservation Rules of Bhutan* to facilitate the implementation of the provisions under the *Forest and Nature Conservation Act, 1995*. A third important policy development was the adoption of the *Vision and Strategy for the Nature Conservation Division* in 2003, which builds on the guidance of *BAP II*, and postulates four strategic pillars for protected areas management. One pillar is the Integrated Conservation Development Programme (ICDP), for which the Nature Conservation Division (NCD) recently developed *Striking the Balance: Guidelines to identify Integrated Conservation and Development Programs (ICDPs) in the Protected Areas of Bhutan*. Last but not least, the National Assembly approved in 2003 the *Biodiversity Act*, which establishes a comprehensive set of rules to govern access to and benefit-sharing from biological resources, the protection of traditional knowledge, bioprospecting, etc.

In recognition that Bhutan's natural heritage is at the same time a fragile asset and an economic opportunity, the country has put emphasis on 'high value low impact tourism'. Further, the Department of Tourism prepared in 2001 the *Bhutan National Ecotourism Strategy*, which provides a set of strategic options and project ideas for environmentally conscious tourism in Bhutan.

Major policy developments also occurred in the area of climate change, where Bhutan – in fulfilment of its obligations under the Climate Change Convention, presented in 2000 the *First Greenhouse Gas Inventory* and the *First National Communication*. Both documents are of high quality, and raised the awareness about global warming and its potential negative impacts for Bhutan. This process is currently being continued with the development of the *National Adaptation Program of Action (NAPA)*, which will identify immediate and urgent adaptation activities that address the current and anticipated adverse effects of climate change, including extreme events.

In addition to the above referenced environmental policies and laws, the two decentralization *Chathrims* provided a major change for environmental management. Both DYT and GYT have been given significant authorities and responsibilities, including pollution control, protected area management, environmental impact assessment, etc. This devolution is a critical step towards a more participatory and community-based approach to sustainable development.

1.2 Driving Forces

There are a number of factors that help to explain the significant progress at the policy and regulatory level in Bhutan. First and foremost, the RGOB enjoys a cadre of highly qualified and motivated civil servants, who, in many cases, have received training in policy development and analysis. This holds particularly true for NEC and NCD.

Second, in contrast to many countries that may also have enacted environmental legislation, in Bhutan, the stability of government institutions has created the space for the bureaucracy to formulate policy and regulatory instruments in an effective and efficient manner.

Third, Bhutan has been participating actively in a number of international conventions and forums on environmental matters, which – despite often overstressing limited human resources

– have provided a useful platform for information exchange and networking, allowing the country to selectively “import”, adapt and adopt good practices.

Fourth, Bhutan has also benefited from strong and continued donor support in the area of global environmental concerns. Several donors such as DANIDA and UNDP specifically targeted policy development, and many others contributed indirectly through the lessons learned from various field projects.

Given the achievements, it is very difficult to identify any negative factors that have hampered policy development and implementation. Among the very few drawbacks, the evaluation would note incomplete inter-departmental and inter-ministerial integration and co-ordination and the obvious lack of human resources to ensure the full implementation and enforcement of policies and legal norms.

1.3 UNDP Outputs

In general, UNDP’s assistance at the policy level tends to follow four avenues:

- Direct support for policy development through projects (eg. BAP and GHG)
- Policy impact through pilots and demonstration activities (eg. JDNP)
- Policy influence through research and advocacy (eg. NHDR)
- Policy co-ordination through donor forums

In Bhutan, the main strategy was direct policy support through the Enabling Activities for biodiversity and climate change, and, to a lesser degree, the use of pilots and demos. There is very little hard evidence that research and other knowledge services have had a significant impact on policy development.

Biodiversity

Three projects of the environment portfolio deal with biodiversity issues: National Biodiversity Conservation Strategy (BHU/96/G32), Integrated Jigme Dorji National Park (BHU/96/G33 and BHU/96/008) and Linking and Enhancing Protected Areas (LINKPA; BHU/03/G35).

The support for Bhutan’s Biodiversity Action Plans through the GEF Enabling Activity represents in our view the most significant policy impact in the area of biodiversity. Unlike in many other countries, where the development of BSAPs is typically a very limited exercise, Bhutan’s EA has stretched over several years without a significant increase in funding. This extended support allowed the development of two Action Plans, the second one representing a considerably improved modification of the first one, based on the experiences and lessons learned in the implementation of BAP I. The financial support under this project also made it possible to produce the ICDP Guidelines.

Given the strong Government ownership of and commitment to this project, it is very difficult to disentangle the RGOB contributions from those of UNDP and other partners such as WWF, which provided important inputs in the various consultations that marked the development of the Action Plans. UNDP’s impact is thus less to be seen in shaping the policy agenda but in facilitating and enabling in an effective and efficient manner the RGOB to develop its own framework for biodiversity conservation in Bhutan.

The second project, Integrated Jigme Dorji National Park, is very different from the Enabling Activity. Its main achievement is the operationalization of the first protected area in Bhutan. While this in itself does not represent a policy impact, the significance and symbolic value of this

result should not be underestimated. The other important achievement is the successful formulation of 9 community-based Integrated Conservation Development Plans in the project area. While the project design (through its lack of resources for development activities) made it very difficult to actually implement these plans, the lessons learned and capacities gained in the planning process undoubtedly informed the development of the ICDP Guidelines. Similarly, the development of the basic tourism plan for the park led to spin-offs in the form of park staff contributing to several national level planning studies. Last but not least, despite the fact that most alternative livelihood demonstrations and pilots did not get implemented, some of them such as the legalised harvesting of *Cordyceps sinensis* has had a policy impact.

Again, it is most likely not very fruitful in trying to pinpoint here the actual impact of this UNDP/GEF project in shaping RGOB's approach to integrating conservation and development. It is equally impossible to draw a meaningful comparison with similar projects in other parks such as Bumdeling or Jigme Singye. It seems more appropriate to consider this project a collaborative venture that included a number of important stakeholders that each contributed in their respective areas of competence to a milestone in biodiversity conservation in Bhutan. It is also worth noting that the Terminal Review of the project, conducted in September 2003, highlighted the excellent backstopping of the project by UNDP.

The third project, LINKPA, began its implementation only a few months ago, and it is, therefore, too early to assess its impact. The evaluation team notes, however, the beneficial combination of on-the-ground activities and a policy component on the development of a regulatory framework for biological corridors. This macro-micro linkage provides in our view the most effective and sustainable mechanism of policy development.

Climate Change/Energy

Under this cluster, UNDP's support comprises three projects: Bhutan National Greenhouse Gas Project (BHU/96/G31), Mini/Micro Hydropower Development Project (BHU/98/G41) and Solar Energy Programme Review (BHU/01/002).

In our view, only the Greenhouse Gas Project can claim a policy impact, largely through triggering greater awareness about climate change and its impact and by setting the stage for Bhutan's active participation in the UNFCCC. It also helped to initiate processes such as NAPA and CDM, and strengthened observation capacities of the Agromet section. As with the Biodiversity Enabling Activity, a positive feature of GEF/UNDP support was the inclusion of additional activities in a second phase (eg. technology and capacity need assessments), which was instrumental in maintaining and carrying forward the momentum generated by the GHG inventory and the First National Communication.

The Solar Energy Programme Review helped to dispel some myths about the status of solar installations in Bhutan. The final report of this SPPD project provided a couple of policy recommendations to support the development of solar energy programmes in Bhutan. These recommendations, have, however, not been implemented so far due to lack of donor support.

Sustainable Development

Projects under this cluster include Strengthening Environmental Management & Education in Bhutan (Capacity21; BHU/96/G81 and BHU/96/001) and its successor, Support to Implementation of Micro Environmental Action Plans (BHU/03/002), Support to National Assessment for the WSSD and National Capacity Self-Assessment (NCSA) for Global Environmental Management (BHU/02/G41).

Out of these four projects, NCSA and MEAP, have barely started implementation, and the WSSD support is a very limited activity resulting in the publication of *Bhutan: The Road from*

Rio, a high-quality national assessment of Agenda 21. The evaluation team did not receive any specific information whether and to what degree this publication has helped to shape Bhutan's stance or image at the WSSD and in its aftermath.

This leaves us with the analysis of the Capacity 21 project, which is to a large degree a capacity development project, targeting Government officials at central and local level as well as communities and citizens. In so far as the project has helped to increase capacities for sustainable development, its achievements have fed and will continue to feed into the policy process, particularly through the GYTs and DYT. The evaluation mission is, however, not in a position to identify concrete and direct pathways between the results of the project and policy development. This is largely due to the fact that the project lacked clear performance indicators. Moreover, its outputs correspond more to the second SRF outcome (not reviewed here) on local capacity development. Nevertheless, we can assume that the training and exposure visits of local leaders will benefit policy implementation, particularly in the context of decentralized environmental management.

Table 1: Policy Impact of UNDP Outputs

| Components | Baseline (2000) | Result (2003) | Relevant UNDP Outputs | Linkage to Outcome | UNDP Impact ³ |
|-------------------------|---|---|---|--|---|
| Biodiversity | BAP I main strategic framework; emphasis mainly on protected areas; FNCA main legal document | BAP II more comprehensive document; Rules and Regulations for FNCA in 2000; ICDP Guidelines; National Ecotourism Strategy; NCD Vision; Biodiversity Act | <ul style="list-style-type: none"> • BAP II • ICDP Guidelines • JDNP Tourism Plan • JDNP geog ICDPs • LINKPA Regulatory Framework for Biological Corridors | <ul style="list-style-type: none"> • Represents improved comprehensive strategic framework for biodiversity conservation • Compilation of experiences that foster inclusive conservation approach • Fed into national policies and programmes • Serve as model for decentralized and integrated NRM planning • <i>Regulatory Framework expected to further strengthen system of protected areas</i> | Significant |
| Climate Change/Energy | Bhutan party to UNFCCC but lacking policy framework; dto. for alternative energy | Basic information and institutional mechanisms in place to develop CC adaptation and renewable energy strategies | <ul style="list-style-type: none"> • GHG Inventory and 1st National Communication • Solar Energy Programme Review | <ul style="list-style-type: none"> • Inventory and National Communication set the stage for policy development • Policy recommendations of review not implemented | Significant for CC, modest for renewable energy |
| Sustainable Development | Vision 2020 and National Environment Strategy form cornerstones of sustainable development agenda | The Environment Assessment Act and subsequent regulations operationalize EA/SEA; DYT and GYT <i>Chathrims</i> decentralize environmental responsibilities | <ul style="list-style-type: none"> • WSSD Report • Cap21 capacity-building at national and local levels | <ul style="list-style-type: none"> • Report summarizes and showcases national achievements for WSSD • Capacity development of local leaders crucial for decentralized policy implementation | Modest |

³ We have adopted a three-tier ranking consisting of *Significant, Important* and *Modest*

1.4 Partnerships

In the context of the above-mentioned policy-relevant projects, UNDP's main partners were NEC and NCD. The relationship with both agencies proved very symbiotic, and the mission received feedback on the mutual respect and recognition of a fruitful working relationship. One concern that has been raised, however, is the disconnect between different projects, and the high transaction costs this entails. Plans are underway to remedy this problem through the creation of a joint Steering Committee. A more comprehensive solution through budgetary support is not possible under UNDP's current corporate policy.

With the exception of LINKPA, which is executed by WWF, and Swedish co-financing of the Solar Energy Programme Review, none of the projects in the portfolio had any non-Government partners. While this can be largely explained by the strong relationship with RGOB, it does, however, raise the question of the scope and success of resource mobilization and synergies with other players. There is limited opportunity for UNDP Bhutan to mobilize third party cost sharing because existing bilateral donors have strong working relationship with RGOB and provide funds directly to RGOB, which has strong implementation capacity. Furthermore, as a small and non-strategic country, Bhutan attracts less attention from other donors.

This is particularly true in the area of policy development, where the only other player apart from UNDP is DANIDA through the ESPS. There have been some indications, that ESPS II could have provided an entry point for pooling resources, particularly in the context of policy support at the NEC.

1.5 Conclusion

The preceding analysis has highlighted the impressive achievements of the RGOB in developing a national policy and regulatory framework for the environment. While small gaps exist, and the implementation of certain provisions is difficult and contentious, all in all Bhutan can claim a comprehensive and sophisticated enabling environment for sustainable development, large parts of which were adopted in the last few years.

Many factors such as the high policy formulation capacities at NEC and NCD, political stability and international exposure have facilitated this success. Measured against this backdrop, UNDP's contributions were most decisive and direct through the Enabling Activities on biodiversity and climate change. These projects complemented well assistance extended to NEC by DANIDA through the ESPS.

The main challenge for Bhutan's environmental laws and policies lies now in their adaptation to the decentralization process, and in the development of sufficient capacities at local level to ensure their smooth and effective implementation.

2. INTEGRATION

2.1 Outcome Analysis

For simplifying the interpretation of integration, this outcome has been divided into four components including integration of environmental issues into national developmental plans, planning process, integrated conservation and development approach and environmental assessment/strategic environmental assessment.

Integration of environmental issues in national development plans

8th Plan

The main sustainable development objectives for the 8th Plan were to ensure high growth with environmental conservation, preserve and promote cultural and traditional values, decentralize and alleviate poverty. In essence, the plan's priority was to maintain a balance between economic growth and use of natural resources. Renewable natural resources, including hydropower development, livestock, agricultural production, forest conservation and integrated rural development were the most important strategies taken by the plan. To support these strategies, detail sectoral plans for RNR, environment and development, and energy sectors were drawn. However, during the 8th plan the foundation or policy initiatives to implement programmes on those lines were inadequate or in the process of formulation. For example, there were no clear strategy for the judicious use of the country's abundant natural resources and that decentralization process had just begun. The MTR of the 8th plan reports that despite such constraints, there were achievements in terms of the release of National Environment Strategy (1998) and institutionalization of environment assessment process, which basically directed the country's development towards the 'Middle Path'.

9th Plan

The 9th plan's development strategies are basically designed to support the collective pursuit of Gross National Happiness and address key issues related to maintaining environmental and cultural integrity of the country. Although a range of factors contribute to the happiness or overall well-being, the 9th plan identified four major areas as the main pillars of development, which included economic growth and development, preservation and promotion of cultural heritage, preservation and sustainable use of the environment, and good governance. What primarily came out in the 9th plan is a clear-cut perspective on the objectives of development, that economic growth is only one among many means of development and equal importance must be given to social, cultural, spiritual and emotional needs of individuals and society to achieve holistic development.

There has been an attempt made in the 9th plan to separate out issues of urban environment problems and rural environment. For example, there is an additional sectoral plan for environment in the 9th plan which otherwise was dealt in the 8th plan under RNR sectoral plan. Environment sectoral plan focuses on the emerging problems of the brown sector such as air, water and land pollution. Under RNR sector, there are plans for the development of forest resources (chiefly dealing with sustainable utilization of biodiversity), livestock development and agricultural production. The RNR sectoral plan signifies country's acknowledgement given to strong linkage between natural resource base and economic development.

'The conservation of the natural environment relates directly to the long-term sustainability of the major income earners including hydropower, tourism and other natural resource-based industries. It also means that the potential for the development of such sectors are nurtured through the conservation efforts put in by this sector' (The RNR Sector 9th Five Year Plan: 54).

In the energy sector plan, hydropower development and rural electrification have remained at the top of priorities. Besides, new acknowledgements have been made to alternative sources of energy, including all the renewable such as solar power, windmills, water mills and biomass in more remote and inaccessible areas.

A few other significant additions in the 9th plan include watershed management, land degradation and glacial lake outburst integrated into the list of potential areas of focus for sound environment management.

One fact that stands out in the 9th plan is that despite the well-integration of environmental issues in the plan, they have largely been treated as sectoral and so it limits the scope for effective integration of environment into other sectors that can have potential environmental impacts.

Development planning process

In contrast to the centrally planned 8th plan, 9th plan was formulated based on 201 Geog development plans. Enactment of the DYT and GYT *Chathrim*s in 2002 provided the legal framework for decentralized governance at the district and block levels and it brought about remarkable changes in the roles, responsibilities and functions of the GYT and DYT. The formulation and preparation of the 9th plan was undertaken after extensive consultation and discussions at the Geog, *Dzongkhag* and the central levels. The first step involved the Planning Commission providing policy framework, plan priorities and general direction through the circulation of the “9th Plan Guidelines”. The Guidelines were largely influenced by the outcome of the mid-term review of the 8th plan. Simultaneous to the process, environmental awareness workshops were being conducted in all Geogs under UNDP’s Capacity 21 Project. The workshops were effective forums where local people determined emerging livelihood threats and issues, and designed Micro-environmental Action Plans (MEAP) to deal with them. Following this, the Geogs, *Dzongkhags* and central Ministries and Agencies undertook the preparation of Geog, Sub-sectoral and Sectoral. The result of such extended process was the integration of prioritized local level development issues into the composite 9th plan.

Integrated Conservation and Development Programme (ICDP)

RGOB has adopted and launched ICDP, which seeks opportunities for a balanced conservation and development objective, and by which the concerned agencies and the local communities can collaborate in a programme that reconciles conservation and development interests. In Bhutan, the ICDP aims at resolving the potential area of conflict among the park management, responsible for conservation of the area, the district (*dzonkhag*) administration, responsible for decentralized development, and communities that are entirely dependent on natural resources. Hence, ICDP contributes in three overall objectives: protection of natural ecosystem with minimum human influence, decentralized development, and people’s participation in their development. In other words, ICDP approach seeks means to achieve all the three components of sustainable development-social, economic and environmental development.

ICDP approach in the country so far has yielded significant benefits: in particular, providing economic benefit to local people, raising awareness of local environment and promoting people’s participation in decentralized developmental planning. A few of such benefits, for example, includes helping people earn extra income from activities like mushroom and high value medicinal plants cultivation, eco-tourism promotion, and formulation of Community Natural Resources Management Plans (CNRMP). ICDP thus effectively forges links between national environmental conservation goals and community’s development priorities, and in doing so the ICDP integrates biodiversity conservation interests into overall developmental planning.

Environmental Assessment/Strategic Environmental Assessment

The 9th plan envisages fully operationalizing and institutionalizing the process of EA for all developmental activities to ensure a sustainable natural resource base. The progress, at present, has been encouraging, particularly with legal basis developed for the implementation of EA with regard to decision-making process for developmental projects. EA provides guidance both for evaluating new projects and the performance of existing operations and assessing the acceptability of environmental impacts in relation to the economic benefits and the cultural, social and community values and services. The formulation of EA sectoral guidelines for hydropower, power transmission lines, forestry, highways and roads, mining and processing, and industries has further facilitated the use of EA to control pollution and promote clean technologies, and strengthening environmental monitoring of development activities.

The 9th's plan priority of SEA also has its own importance as it emphasizes incorporation of environmental assessments at an early stage of planning and policy development, rather than at the project level when mitigation options are frequently limited. This would also be one step towards the coordination of environmental issues at upstream level, by necessitating agencies to take environmental concerns into consideration while formulating, renewing, modifying or implementing any programme, policy, and plan including the five year developmental plans.

Since EA facilitates line ministries and private sector in setting up Environmental Units, these are the basic tools to coordinate environmental activities and also address environment as cross-cutting issue in development initiatives, both at local and national levels. However, there are challenges to be faced by them, especially in the context of decentralization and the present state wherein local decentralized institutions are not capacitated enough to carry out EA and SEA. Furthermore, the overlapping jurisdiction at local and central level complicates the effective implementation of EA and SEA.

2.2 Driving forces

Environmental conservation embedded in culture and tradition has been one of the most important driving forces for environmental integration in the country's developmental plans. Further reinforcement has been provided by the country's undertaking of a unique developmental philosophy of Gross National Happiness, which has been the principal force behind sustainable development strategy.

The small overall size of government ministries and departments has generally facilitated better coordination and integration, though there still exist a number of institutional hurdles such as those caused by overlaps and ambiguity of environmental responsibilities to be carried out by ministries, departments and agencies.

2.3 UNDP Outputs

Environment in the 9th plan

There is no clear indication of which particular UNDP output was more influential than other in the integration of environmental issues in the 9th plan. However, since the 9th plan specifically acknowledges the impact of Capacity 21 project, this project can be assumed to have direct influence in the integration of environmental issues in the plan:

'During the implementation of the Capacity 21 Project, a list of over 1000 Micro Environmental Action Plans were compiled by the NECS. These actions include activities as diverse as community tree plantations, construction of solid waste disposal sites, sloping agriculture and technology (SALT) and conservation of catchment areas'. (9FYP Environment Sector Plan: 51)

The plan further acknowledges that MEAPs and Geog Plans have enhanced environmental programme acceptability at the Geog level and ownership of the plans by communities is higher, which ensure the continuity and long-term sustainability of the environment.

Many of the UNDP outputs from other projects are concentrated in providing enabling environment for up-taking and integration of environmental issues. These projects, although not yielding any direct impact in the 9th plan formulation, were important. For example, as an output of the Bhutan National Greenhouse Gas Project, the NEC prepared Bhutan's National Communication on the CCC, and the country's first greenhouse gas inventory. RGOB used the information to include Climate Change strategy in the National Environment Strategy. In line with this reporting, the 9th plan emphasized that glacial lake outburst could be more serious problem for Bhutan and so must be given the priority in the coming years.

Furthermore, under Sustainable Solar Energy Programme Review Project, solar energy review was undertaken to review existing and potential solar energy options, and design and prioritise future interventions by the Department of Energy. Although it cannot be justified or claimed that this review was the sole or even a factor in identifying the potential of renewable energy sources in the country (with eventual establishment of Department of Renewable Energy), this could have had some catalytic impact. Two important hints that the review was useful are: one, RGOB takes reference of the review as a strategic planning tool, and another, a strong strategy developed for energy sector in the 9th plan with importance given to alternative renewable energy resources.

Planning Process

During the 8th plan period, environmental awareness workshops were conducted in all the 201 Geogs in the 20 Dzongkhags under the UNDP's Capacity 21 Project. These workshops formed forums where the local people determined emerging environmental threats and issues within their Geogs. Further, these forums also attempted to ensure that conservation is integrated into the process of economic development. The 9th planning process, which was Geog-based, identified priorities during the regular GYT/DYT meetings. When inquired about the usefulness of UNDP's environmental workshops and its linkage to the planning process, the local level informants were of the view that the workshops, though not entirely, had some influence especially at encouraging communities' participation for setting environmental and developmental priorities in the 9th plan.

ICDP

An important output from UNDP's JDNP was in terms of the preparation of ICDP plans or Community-based Natural Resource Management Plan (CNRMP). Through the project 9 Geog level ICDP plans were drawn up, which now are ready for implementation. Although the success of those ICDP plans cannot be entirely assessed prior to their implementation, their success in part can be assessed in terms of high level of communities' participation in the planning process. Due to their active participation in the formulation of ICDP plans, the communities could actively participate in Geog planning too. In broader sense, this UNDP output has helped in developing innovative models for community based and participatory development, thus supporting what is outlined in the 9th plan that country's developmental goals will be met primarily by involving people in the management and sustainable utilization of natural resources. While there is tremendous scope of CNRMPs, both for facilitating decentralized and bottom-up planning, there is still a considerable scope for strengthening the linkages between other community-level investments and conservation actions in the ICDPs (undertaken by donors such as SNV and Danida) along the lines outlined in recently launched UNDP project, LINKPA.

EA/SEA

Under Capacity 21 project, one of the intended output was to train personnel in environmental management, including EIA, and to enable apply the same in field activities. However, the review mission from the UN Headquarter in 2000 recommended dropping this outcome component because it was already being addressed by the NECS through assistance provided by the Danish Government and the Asian Development Bank. The result is that this output is no longer a priority issue. But, the component of EIA is being partly fulfilled through the implementation of MEAPs in which training for Geog and Dzongkhag personnel to implement MEAPs is underway.

Table 2: Integration Impact of UNDP Outputs

| Components | Baseline (2000) | Result (2003) | UNDP outputs | Linkage to outcome | Outcome impact |
|---------------------------------|--|--|--|--|------------------------------|
| Environment in development plan | Sustainable development strategy adopted with priority given to natural resources conservation, hydropower development and economic development. | <ul style="list-style-type: none"> o Broader and comprehensive 9th Plan o The concept of GNH emphasized with priority given to conservation, sustainable utilization of natural resources, pollution control (environmental management, energy sector development and poverty alleviation). | No clear indication of which particular UNDP output was more influential than other in the integration of environmental issues in the 9 th plan. | Many of the UNDP outputs are aligned to environmental issues mentioned in the 9 th plan. However, there is no evidence of the level of UNDP output influencing the integration of environmental issues in the plan except Micro-hydro and MEAP's. | Modest |
| Planning process | Centralized planning but considerable participation by local bodies in the planning due to evolving decentralization process. | Decentralized; Geog-based planning approach | <ul style="list-style-type: none"> o Under Capacity 21, environmental workshops and consultation held at local level o Through JDNP, communities' participation in CNRMP (which later fed into Geog planning) | <ul style="list-style-type: none"> o RGOB's Geog level planning benefited from these workshops due to increased awareness of communities for participation in the planning. o MEAPs formulated by local communities o Catalyzing and effecting the integration of sustainable development concepts into the local environmental planning process. | Important |
| ICDP | Socio-Economic Surveys (SES) and PRA conducted for ICDP | Incorporation of ICDP plans into Geog and Dzongkhag planning cycle; Community based ICDP plans prepared in operational NP | <ul style="list-style-type: none"> o Through JDNP, new plant harvesting system and medicinal plant nurseries established on trial basis. o Tourism development plan developed. o JDNP introduced pilot projects on micro-hydro power generator, cooking/heating stove, social forestry and electricity-run flour/oil mills. | <ul style="list-style-type: none"> o Provided alternative livelihoods to local people. o Reduced dependence on natural resources to ensure sustainability. | Modest |
| EA/SEA | Regulatory framework developed | Operationalisation and institutionalization of EA and SEA | <ul style="list-style-type: none"> o Cap 21 Project-I: <i>Personnel trained in environmental management and monitoring, including EIA, and enabled to apply the information in field activities</i> o Cap 21 Project-II: Enhanced awareness and ability of GYT and DYT to undertake sustainable development initiatives | <ul style="list-style-type: none"> o Since NECS is developing EIA guidelines with assistance from ADB and Danish Government, development of EIA guidelines was no long validated for the UNDP. o Capacity development in EIA at local level being done through training to Geog and Dzongkhag personnel | Modest (important potential) |

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| | | | | during implementation MEAP. | the of | |
|--|--|--|--|-----------------------------------|-----------|--|

2.4 Partnerships

The UNDP has sought to mainstream environmental mainstreaming objectives through partnership initiatives with the Government, international developmental partners and community-based organizations. This evaluation finds that implementation effectiveness, to some extent, is related to the partnership approach too. The majority of the UNDP projects is executed by the Government. According to the Government officials, partnership with UNDP over the years has evolved into building good relationship between the two. They mainly appreciated UNDP's flexibility in the approach and thus consider as trusted partner in development of the country. Specific example would be of Capacity 21 programme and JDNP through which effective partnership was established with various Government agencies including MoA, DADM, DFS, PPD Home Affairs and NCD. Their involvement was mainly through the Project Steering Committee (PSC), which continuously interacted to better design the project and monitor activities while the project was underway. Through JDNP, decentralized government bodies including DYT and GYT participated in the successful implementation of the project. Their main partnership came out fruitful in the local level planning process, for ICDP planning, MEAP and Geog-level planning. Similarly, LINKPA also has strong partnership strategy component to be established both at central and local level.

2.5 Conclusion

In broader terms, environmental conservation and management has been repositioned into the development planning process and integrated in the 9th plan. UNDP Bhutan has made substantial progress in linking its projects and programmes to overall national environment conservation goals.

UNDP's projects, particularly JDNP and Capacity 21, facilitated local level planning. Formulation of ICDP plans and BAP were amongst the significant output from UNDP projects that directly related to priorities set by the country and that also contributed to the integration of CBNRM into development plan. UNDP's outputs are relevant to national objectives of environmental conservation as well as it has potential as a key to arriving at a scale to achieve the national level developmental goals and objectives.

3. CAPACITY DEVELOPMENT

3.1 Outcome Analysis

Consistent capacity building efforts over the last many years have significantly improved the country's human resources and institutional structures. For instance, the number of technical staff at NCD has grown from about 14 in 2000 to 18 in 2003. At the same time, number of NCD staff with Masters degree has also grown from 2 to 6. Similarly, NEC's staff strength has increased from about 16 in 2000 to about 35 in 2003 and NBC's from about 14 staff in 2000 to 25 in 2003. At the field level, operational protected areas have increased from 3 in 2000 to 5 in 2003. In the two project sites – JDNP and TNP – that the mission visited, number of government staff have increased from about 22 to 32 and 12 to 26 between 2000 and 2003 respectively. Despite marked improvements, existing capacity remains far from adequate to keep pace with evolving environmental management needs resulting from rapid modern development and the country's growing participation in global environmental management. Until the beginning of the 1990s, environmental conservation in Bhutan was largely confined to conservation of forests and wildlife. Environmental management has taken a much broader meaning over the last decade or so in the country, denoted by the formulation of a number of policies and legislation (Forest and Nature Conservation Act 1995, Environment Assessment Act 2000, Biodiversity Act 2003), establishment of additional institutions (NBC, NECS), and emergence of new issues (climate change and associated natural disasters, water management, renewable energy, waste and pollution). Concurrently, the country's participation in global environmental management has also grown rapidly with the ratification or accession to as many as nine international environmental conventions and associated protocols in the last 10 years.

The other observation is the skewed distribution of capacity development, with much of the medium- and long-term, specialization training being consumed at the central policy and planning level while the field staff are largely confined to short training and study tours. As a result, policy implementation has not been able to keep pace with policy development.

Whilst capacity problems can be to some extent alleviated through development of effective partnership, coordination and linkages between different institutions, there is currently no functional inter-institutional coordination and linkages. Partly, this can be attributed to the fact that some institutions have only come up recently (e.g. NBC in 1998 and the Renewable Energy Division in 2002) and that these institutions have to first focus on internal capacity and infrastructure development. The NCSA project is expected to look at potential synergy and linkages between the activities of various conservation and related agencies and provide recommendations for institutionalizing them.

A couple of elements of non-classical capacity development, which go beyond the usual training and study tours, were observed. One was the use of UNVs in JDNP. Two UNVs were fielded to work with JDNP staff for a period of 2 to 3 years. Park staff reported that working with the UNVs gave them good hands-on knowledge and skills on ICDP planning and sustainable natural resources management. Second was the potential for park-park institutional twinning. This example again comes from JDNP, where staff had carried out a small exchange programme with Kuoszczko National Park in Australia. Such exchanges even if they are small can be fostered into institutional twinning between parks, which could later even lead to securing some regular funding from the partner park.

An interesting observation relates to the national obligations associated with international environmental conventions. Government partners reported that while national obligations such as the preparation of the Biodiversity Action Plan and the Greenhouse Gas Inventory added pressure on existing capacity, they also helped develop their existing capacity in terms of

working as inter-disciplinary team, and collection and analysis of data. In the case of the Greenhouse Gas Inventory, the national team also benefited from working with experts from the Tata Energy Research Institute, Delhi.

Finally, despite substantial investments over the years, there has been to date no comprehensive assessment to strategically take stock of all the environmental capacity building efforts, their impacts and lessons learnt. Such an assessment would be valuable to strategize future capacity development so that it is more effective.

3.2 Driving Forces

Environmental management being a cornerstone of national development policy

Environmental management has consistently occupied a pivotal place at various hierarchical levels of the national development policies, ranging from the country's vision document *Bhutan 2020* to national five year plans and sectoral five year plans. In concurrence with the importance of environmental management in the national development policy, there is a conscious and continuous effort to develop human resources and institutional structures required for environmental management.

The strong commitment for environmental management has, however, been more centered towards development of policies and legislations and participation in international environmental conventions. The swiftness with which policy development has taken place has further enlarged capacity development need at the policy implementation level.

Accessibility to donor funding

Largely owing to its positive track record in environmental management and development governance, the country has been able to attract substantial donor funding. With the availability of donor funding, the country has been able to embark on various types of capacity building activities. Furthermore, in becoming a party to various international environmental conventions, the country has been able to increasingly access GEF funding for capacity-building projects such as NCSA. Also the presence of BTF to complement international funding assistance has helped to build environmental management capacity both in terms of human resources and institutional development.

Advent of internet technology

With the arrival of internet technology in the country in 1999, the environment for capacity development has been enhanced. For instance, staff of Thrumshingla National Park can now access information on latest developments in conservation science or keep in touch with some ornithologists in Britain through e-mails.

3.3 UNDP Outputs

The contribution of UNDP to capacity development in environmental management, even if not as significant as that of other funding agencies such as the BTF or Danida, has been meaningful particularly in the context of the national decentralization policy. The Capacity 21 Project Strengthening Environmental Management and Education in Bhutan was a timely precursor to the operationalization of the decentralization policy in that it built awareness and experience for environmental management planning at the geog level, involving GYT and DYT members. Its objective was also to build the capacity of NECS to work with a wide range of stakeholders, particularly local government authorities and community leaders, to enhance environmental management at all levels of the society. The implementation of the Micro Environmental Action Plans – a product resulting from the Capacity 21 Project – is expected to further consolidate awareness and improve the implementation capacity for environmental

management at the geog level besides enhancing the experience of NECS in dealing with environmental management issues within the context of the decentralization policy and legal framework.

Capacity building as an important component of the UNDP/ GEF Project on Integrated Management of Jigme Dorji National Park helped develop understanding of various aspects of protected area management ranging from ecotourism and ICDP to anti-poaching among the park staff through short training and study tours. In addition, the ICD planning in JDNP also should have provided the local communities the experience that they could use in geog development planning. Furthermore, UNVs fielded in the JDNP project proved useful in terms of developing hands-on knowledge and skills of their national counterparts in ICDP and sustainable natural resources management planning.

Apart from the above projects and as mentioned earlier, the preparation of BAP I and II and the First National Greenhouse Gas Inventory had spin-off benefits in terms of building the respective national team/ task force's capability to work as an inter-disciplinary group and to collect and analyze data.

The support for development of NCSA project has now materialized into a fully operational project with the NECS as the executing agency. The NCSA project is expected to be of significant bearing in terms of identification of capacity issues, gaps and needs, and priorities and formulation of an action plan to address the identified priorities at systemic, institutional and individual levels.

3.4 Partnerships

Within the context of the UNDP environment portfolio, there are three partners: NECS, NCD and WWF Bhutan Programme. NECS was responsible for implementing the Capacity 21 Project and National Greenhouse Gas Project. It is now implementing the NCSA, NAPA and MEAP projects, all of which address capacity building fully or to a large extent. NCD was responsible for implementing the JDNP, BAP I and II projects and is now implementing the LINKPA project. WWF Bhutan is the project executant and a co-financier of the LINKPA project.

Other Donors

The BTF has perhaps been the largest financier of capacity development in the last few years. Apart from some stand-alone short- and long-term training, BTF's support includes a major human resources development project for biodiversity conservation.

Through the ESPS, Danida has assisted the NBC to develop its human resources through advanced degree training and upgradation of the National Herbarium. The ESPS also included human resources development and provision of equipment for environmental monitoring/ management activities in industrial and mining operations.

The Dutch Government supported the institutional strengthening of the NCD as a part of the first phase of its Biodiversity Conservation Programme.

3.5 Conclusion

Capacity development will continue to remain a high priority for the country for a long time given that capacity is severely lacking especially at the policy implementation level and environmental management needs are evolving as a result of the national decentralization policy, emerging environmental challenges and growing participation in global environmental management. Although UNDP's contribution in terms of funding may remain limited, it has an important role as a catalyst for advocacy, leverage and interface with potential financing and capacity building institutions that do not have presence in the country. In the protected areas, there is a clear

need to shift from short training and study tours to medium-term, specialization training of park staff. There is also need to take capacity development beyond the usual training and study tours. In this regard, institutional twinning and networking are potential areas to begin with.

Table 3: Capacity Development Impact of UNDP Outputs

| Outcome Component | Baseline (2000) | Result (2003) | Relevant UNDP Outputs | Linkage to Outcome | UNDP Impact |
|--|---|---|--|--|--|
| Capacity Development through increase in qualified human resources | Staff strength NCD: 14, incl 2 with MSc NEC: 16 NBC: 14 | Staff Strength NCD: 18, incl 6 with MSc NEC: 35 NBC: 25 | <ul style="list-style-type: none"> • Various Training Activities under Cap 21 • Short-term training and study tours built in JDNP project • UNVs fielded in JDNP • Biodiversity and CC EAs | <ul style="list-style-type: none"> • Lack of performance indicators makes assessment difficult • Contributed to development of cadre of qualified park staff • Built knowledge and skills of national counterparts • Spin-off capacity building benefits | Modest at the central level, more significant at the community level [second SRF Environment Outcome] |

IV. SUMMARY OF FINDINGS

The preceding analysis provided an overview of the progress made in the last 4 years on integrating global environmental concerns in the national development agenda through policy development and capacity building. All three sections have shown the impressive results the RGOB was able to achieve.

The policy and regulatory framework was significantly strengthened in the review period with the adoption of a number of critical policies and laws. The 9th Plan was a landmark in further integrating environmental concerns in national development planning, and anchoring the planning process at the local level. Capacity development at the central level has continued at a fast pace and provided the engine for the above-mentioned achievements.

Still, a number of challenges remain. The ambitious decentralization process has profoundly altered the landscape of policy-making and implementation, and capacities at the local level lag behind. Bhutan's rapid development will necessitate an increased emphasis on the "brown sector", in order to ensure that the green agenda remains largely intact. The evaluation mission is confident that the RGOB will be able to tackle these challenges in an efficient and effective manner.

UNDP has been and will hopefully continue to be an important partner for the RGOB in the area of environmental management and conservation. The partnership is sound, and is largely centred on global environmental issues, given the predominant funding window of the GEF. While the current portfolio is not very large in terms of actual volume and compared to some bilateral donors; and many projects are of a preparatory nature and somewhat disconnected, a couple of these projects had significant impacts, particularly in the areas of biodiversity conservation and climate change. In relation to "soft assistance", despite UNDP staff playing a critical role in contributing to seminars, discussions, and papers, RGOB counterparts often have an information edge due to their regular participation in international meetings and the savvy use of ICTs. With regard to donor coordination, the RGOB's strong ownership in this area has left UNDP with a relatively small role in terms of shaping policy positions among developing partners.

Going beyond the scope of outcome orientation, the relationship between Government and UNDP is shaped by mutual respect for the respective skills, commitments and responsibilities. The high level of competence and professionalism among the RGOB counterparts has been matched by flexibility and responsiveness in the UNDP Country Office.

Based on the solid foundation of this trusted partnership with the RGOB, UNDP is now in a good position to introduce a more strategic orientation in its environment programme, revisit its resource mobilization strategy by reaching out to external partners and develop its comparative edge in regional and global advisory services and other forms of soft assistance.

V. LESSONS LEARNED

By definition lessons that can be transferred need to be at a fairly abstract level. The following observations from the Bhutan outcome evaluation might also be applicable elsewhere:

- **Policy impacts are often more sustainable if achieved through demonstration projects.** Direct policy support often focuses on the production of a tangible document whose success and implementation are far from guaranteed. Demonstration approaches appear to be more sustainable as they provide bottom-up entry points to policy formulation.
- **Environmental goals and results are intricately linked to broader political and governance structures.** The decentralization process in Bhutan has brought about major

shifts in environmental governance. In order to maintain the momentum of progress in environmental management, new stakeholders need to be sensitised and their capacity enhanced.

- **Integration is a function of organizational integration.** Most country offices operate through sectoral approaches, with few incentives for information exchange, joint programming, etc. The organizational set-up is instrumental in identifying (or missing out on) opportunities and entry points for integration interventions.
- **Capacity development needs to look beyond project duration for long-term impact.** Project-tied capacity development tends to focus on short training and study tours as more number of people can be benefited within a short period and within a given budget. There is a need to move away from this short-term, project-tied mindset and look at capacity development as a long-term investment.
- **Capacity development can be more effective if built on a complementary range of methods.** Short overseas training combined with working with UNVs (or any other low-cost, long-term TA), study tours combined with institutional twinning/ networking, and preparation of inventories and reports combined with technical assistance from well-established regional/ international institutes are some of the complementary ways of capacity development.
- **UNDP's comparative advantage as a neutral and trusted development partner is a prime asset.** Policy dialogue is essential to reinforce the lessons learned from project assistance. UNDP leadership in donor coordination and regional initiatives can be instrumental in reinforcing and extending project assistance.
- **Outcome evaluations face the dilemma of balancing outcome and UNDP focus.** By definition, outcome evaluations examine a national outcome, whose achievement is a mix of UNDP interventions, partner activities and external factors. While equal weight should be given to these factors, the evaluation emphasis and support documentation focus on UNDP, thereby introducing a bias.

VI. RECOMMENDATIONS

The following suggestions are based on the findings from the outcome analysis and some broader observations about the strengths and weaknesses of UNDP's outputs and operations. Given the nature of the evaluation, these recommendations are primarily geared towards UNDP Bhutan. At the same time, they would be meaningless, if RGOB counterparts and external partners were not to endorse and actively pursue them.

We have refrained here from providing a more detailed sequencing of recommendations in the conviction that the CO is in a better position to implement and prioritise the recommendations against the backdrop of internal and external constraints. We have, however, taken the liberty of proposing a rough timeframe of 5 years for the implementation of the suggestions, divided into short-term (1-2 years, high priority), medium-term (2-3 years) and long-term (4-5 years).

We are also cognizant that many suggestions are ambitious and might face plenty of obstacles or might be even made redundant or irrelevant by intervening events. We do submit, however, that all recommendations are inspired and guided by our sincere belief that they would further strengthen the efficiency, effectiveness and impact of the UNDP environment portfolio in Bhutan.

Short-term (1-2 years), high priority

These recommendations consist of two categories of suggestions: First, they include one-off activities such as assessments or evaluations that should be carried out as soon as possible to inform further interventions in the respective areas. Second, there are a number of continuous activities that we recommend to phase in within the next 1-2 years

Information Sharing: Further to the analysis of the UNDP environment portfolio, and based on the feedback we received from various development partners, a gap exists in terms of information sharing. Although RGOB – through DADM – plays a key role in donor co-ordination, and whereas the comparatively small size of the development community in Bhutan facilitates informal interactions, there seems to be room for a set of regular technical meetings on project approaches, best practices, lessons learnt, etc. We therefore recommend that UNDP (and other interested donors) organize such events following the successful model of the meetings on ICT and private sector development.

Soft Assistance: Over the years, UNDP assisted the RGOB not only through a series of projects but also with a number of services that comprise a diverse set of activities including donor co-ordination, technical briefings, policy advocacy, the organization of commemorative events such as World Environment Day, etc. Because most of those activities have been low profile and remain largely undocumented, it is difficult to gauge their impact in relation to the stipulated outcomes. Soft assistance can, however, play a key role in complementing and extending project assistance and thereby contribute significantly to development effectiveness. In order to better assess the impact of soft assistance, the Country Office - in collaboration with RGOB and other development partners - should document its soft assistance activities.

Policy Support/Dialogue: It has been noted that Bhutan's policy and regulatory framework in the areas of environmental and natural resource management is cohesive and comprehensive. While exceptions exist (eg. with regard to renewable energy), the challenges rather lie in policy implementation, compliance and enforcement. While the mission is confident that RGOB can successfully address these challenges within the framework of its existing institutions, UNDP might be in a position to assist in these efforts by providing advisory services on select regional experiences/best practices in policy implementation. UNDP Bhutan should thus increasingly draw on knowledge services available through Regional Programmes and SURFs.

Micro-Macro Linkages: The evaluation has identified weaknesses in the current portfolio with regard to effectively synchronizing on-the-ground interventions with policy development. We believe that UNDP should strive to strengthen the linkages between the micro and macro levels. While stand-alone policy support is appropriate and effective in many circumstances (eg. climate change), most other sectors would benefit from a model project approach that would - in the first phase – focus on pilots and demonstrations that would – in the second phase - inform the development of policy options. We recommend that UNDP Bhutan follow this approach, wherever possible and feasible in order to enhance effectiveness and impact.

Capacity Development I: Conduct impact assessment of capacity development efforts within NCSA. This is something that will need to be emphasized in the action plan that results from the NCSA. Such an assessment should also identify strengths and weaknesses of past capacity development efforts and capture lessons learnt to provide strategic recommendations to make capacity development more effective in the future.

Capacity Development II: Use UNVs as long-term, low-cost mode of “hands-on” capacity building. In light of the positive experience gained by the JDNP staff in terms of their capacity development through working with UNVs, UNDP Bhutan should explore the possibility of engaging the services of UNVs in field projects, e.g. TNP. Possibility of partnering with other non-UN volunteer organizations could also be explored.

Natural Disaster Management: Given its rugged terrain, Bhutan is a disaster-prone country, with landslides, floods and forest fires a regular occurrence. In addition, climate change has raised the spectre of glacial lake outbursts. In the frame of the decentralization process DYT and GYT have been given responsibilities for different aspects of disaster management. These responsibilities are not matched by the requisite capacities. The evaluation team sees here an important entry point for UNDP, which has significant regional experience in natural disaster preparedness at the local level. We thus suggest that the Country Office identifies possibilities for a collaborative partnership with RGOB in this area.

Medium-Term (2-3 years)

The bulk of our recommendations has a time frame of 2 to 3 years, because we do believe that radical changes in the current portfolio and pipeline would be counterproductive and disruptive to the partnership with RGOB. Some of the suggestions (eg. on renewable energy or disaster management) could be taken up at an earlier stage, particularly in the form of initial assessments, with the thrust of interventions following at the proposed time.

Portfolio Composition: The evaluation has concluded that the current environment portfolio of UNDP Bhutan is a “young” one that largely evolves around enabling activities and preparatory projects. This pattern is to be continued with a number of projects such as NCSA and NAPA. This “enabling phase” should be followed now by a targeted strategic program of few high-impact projects. In that regard, we propose that the portfolio be structured around two main clusters: biodiversity and climate change/energy. A possible third area could be natural disaster management, pending further analysis of RGOB priorities and UNDP entry points. GEF will continue to make up the bulk of resources.

Capacity Development III: Strengthen synergy and linkages between environmental management institutions. A useful vehicle in this respect could be institutionalization of an inter-agency information network, e.g. Bhutan Integrated Biodiversity Information System (BIBIS) developed by the NBC. It is recommended that UNDP Bhutan explore the possibility of supporting such a system with the view to develop and enhance synergy and linkages between environmental management institutions. The NCSA will also inherently need to look at synergy and linkages between various environmental management institutions and provide recommendations to institutionalize them within the context of enhancing implementation of activities related to global environmental concerns.

Biodiversity I: The priority in recent years for Bhutan’s protected areas has been their evolution from paper parks into functional conservation units, as well as the reconciliation of conservation prerogatives with development needs through ICDPs. External partners supported both objectives, and all parks face the challenge of financial viability and sustainability. A number of financing options exist (eg. government transfers, eco-tourism, user fees), and we recommend that UNDP Bhutan and RGOB explore jointly a potential GEF project on financial sustainability strategy for protected areas through demonstration activities in pilot sites.

Biodiversity II: Provide medium-term, specialization training to field staff. Whilst study tours and short training provide general exposure and understanding, there is a need to shift to medium-term, specialization training, e.g. 6-12 months PG diploma course, at the field level so that the staff can acquire more in-depth knowledge and skills required in their jobs. There is a need to look at this aspect during project formulation and reviews.

Renewable Energy/Energy Efficiency: The recent shift in Government thinking from an exclusive reliance on hydropower towards a broader energy vision, encompassing alternative renewable energy options and demand-side management through energy efficiency measures has opened the door to a potentially fruitful partnership with UNDP, which has made rural

energy for poverty reduction a key service line. The Country Office should take the necessary steps for the development of a programme strategy on renewable energy/energy efficiency, drawing on resources from the Regional Energy Initiative, the Thematic Trust Fund for Energy and GEF.

Environmental Governance: Favoured and enabled by decentralisation, local level planning methods have sprouted rapidly. Many local level plans such as ICDP, MEAP, Geog plans and CBNRM have come up in the last two years. Local level planning is in fact not the domain of a single stakeholder. While the impact and effectiveness of these different plans are still under implementation and test, the review and assessment of overall local planning process would best envisage the result of their implementation. This will obviously save time and resource. For such review and assessment, much can be gained also from the Regional Environmental Governance Project being implemented in the region.

Poverty-Environment Nexus: In Bhutan, due to the adoption of developmental philosophy of Gross National Happiness, poverty has implicitly been recognised and so the environment-poverty linkage. However much wider has been the acceptance that environmental degradation, resource depletion and natural disasters have disproportionate impact on the poor and therefore the relationship between poverty and environment is directly proportional. For the population heavily dependent on natural resources, poverty indicators would be more realistic constitute parameters of natural resources. Integration and development of environment and natural indicators into poverty assessment and monitoring mechanisms could be very effective. The UNDP's poverty team has, for quite some time, been engaged in developing poverty indicators.

Long-Term (4-5 years)

Under this category, we have included only one recommendation, as we consider projections beyond 2006, when the current CCF ends, as somewhat premature. Nevertheless, we did consider the specific suggestion as an important challenge and opportunity, which the RGOB might want to consider at an appropriate point in time.

Integration: Over the last years, Bhutan has made significant progress in various aspects of environmental integration, particularly through integrated planning and the operationalization of environmental assessment. Rapid economic growth will make further integration an urgency and necessity. This trend has been well recognized in Vision 2020, which calls for the greening of national accounts. The mission shares the view that Bhutan's ambitious environmental goals will be only sustainable, if the economic and social benefits of environmental goods and services are identified and widely acknowledged. We recommend that UNDP Bhutan explores with RGOB (and other stakeholders) possible partnerships in the development of economic valuation approaches for the environment.

Annex 1: Terms Of Reference

For

Outcome Evaluation

Energy and Environment

UNDP BHUTAN

March 2004

INTRODUCTION

Background

The growing demand for development effectiveness is largely based on the realization that producing good deliverables is simply not enough. Efficient or well-managed development projects and outputs will lose their relevance if they yield no discernible improvements in development conditions and ultimately in people's lives. Being a key international development agency, the United Nations Development Programme (UNDP) has been increasing its focus on achievement of clearly stated results. Nowadays, results-based management (RBM) has become UNDP's management philosophy.

As part of its efforts in enhancing RBM, UNDP has shifted from traditional project monitoring and evaluation (M&E) to results-oriented M&E, especially outcome monitoring and evaluation that cover a set of related projects, programmes and strategies intended to bring about a certain outcome. An outcome evaluation assesses how and why an outcome is or is not being achieved in a given country context, and the role that UNDP has played. Outcome evaluations also help to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative), recommend actions to improve performance in future programming, and generate lessons learned.

Outcome to be evaluated

According to the evaluation plan of the UNDP Bhutan, an outcome evaluation will be conducted in the first quarter of 2004 for the following outcome, which is stated in the Strategic Results Framework (SRF) of UNDP Bhutan; "**Global environment concerns and commitment integrated in national development planning and policy**". A detailed results framework for the outcome is summarized below:

Intended Outcome: Global environment concerns and commitment integrated in national development planning and policy.

Outcome Indicators: Five Year Development Plan; national strategy and plan documents; national policy, legal and regulatory frameworks.

Baseline (2000): The past Five Year Development Plans included sectoral approach to environmental management mostly ingrained in the RNR sector. National authorities and local communities lacked adequate capacity to address key environmental issues.

End SRF Target (2003): Global environment concerns and commitment integrated into 9th Five year Plan; National Biodiversity strategy and Action Plan developed and implemented; capacity of national authorities and local communities strengthened to address key environmental issues.

Brief national context related to the outcome

Environmental conservation has always enjoyed a high priority in the Royal Government of Bhutan's (RGOB) vision of holistic development and the cause continues to be an important and integral consideration in the development agenda.

While Bhutan's environmental track record has been enviable, there are certain challenges emerging that could seriously compromise the future state of the environment. Among the key

challenges confronting the goal of ensuring environmental sustainability is the rapid population growth that Bhutan is experiencing. While the growth level has come down from 3.1 percent, the present growth rate of 2.5 percent still poses a serious threat to the country's environmental resources. With increasing pressures on grazing land, agriculture, and forest resources, the protection of forests and conservation of biological diversity are expected to become ever more difficult. Bhutan's fuel wood consumption per capita is one of the highest in the world. Recently, air and water pollution near industrialized and urban areas have been of concern.

Modernization and economic development of the country invariably require the establishment of extensive road infrastructure. This is an important priority for the RGOB and regarded as vital for alleviating rural poverty. Given the high vulnerability and fragility of mountain eco-systems and the lack of advanced construction techniques and expertise, the building of an extension network of mountain highways and feeder roads in an environment-friendly manner will prove to be a major challenge. This would similarly apply to urban and development associated infrastructure.

In spite of Bhutan's strong commitment to preserve its natural heritage, it is faced with the challenge of balancing development with conservation goals. Bhutan is signatory to some of the important international environmental conventions such as UNFCCC, UNCBD, UNCCD, and Basel convention, and has been an active member of these conventions.

UNDP Priority areas of support

UNDP's support to Bhutan in energy and environment sector has focused on two broad strategic areas: (i) Institutional framework for sustainable environmental management and energy development; and (ii) national capacity development to negotiate and implement global environmental conventions. In this regard, UNDP has been cooperating with the following partners in achieving development results in those two main areas:

- Department of Aid and Debt Management (DADM);
- National Environment Commission (NEC);
- Ministry of Agriculture (MOA);
- Nature Conservation Division (NCD);
- National Biodiversity Centre (NBC);
- Department of Energy (DOE);
- World Wildlife Fund (WWF);
- Royal Society for the Protection of Nature (RSPN);
- Dzongkhags; and,
- Community Organizations.

UNDP projects associated with the outcome

The following table shows the UNDP-supported projects that are associated with the outcome "Global environment concerns and commitment integrated in national development planning and policy". Contribution to the outcome was also made through various non-project activities (soft assistance).

Summary of UNDP supported projects that are associated with the outcome

| Project No. | Project Title | Focal area | Source of Fund | Total Budget (in US\$) | Project Duration | Executing Agency |
|-------------|--|----------------|----------------|------------------------|------------------|-------------------|
| BHU/96/G31 | Bhutan National Greenhouse Gas Project* | Climate Change | GEF | 396,600 | 1997-2003 | NEX/NEC |
| BHU/96/G32 | National Biodiversity Conservation Strategy | Biodiversity | UNDP/GEF | 281,546 | 1997-2003 | NEX/NCD |
| BHU/96/G33 | Integrated Jigme Dorji National Park* | Biodiversity | GEF | 1,500,000 | 1997-2003 | NEX/NCD |
| BHU/96/008 | | | UNDP TRAC | 270,662 | | |
| BHU/96/G81 | Strengthening Environmental Management & Education in Bhutan* | Environment | Cap21 | 400,000 | 1996-2002 | NEX/NEC |
| BHU/96/001 | | | UNDP TRAC | 279,421 | | |
| BHU/98/G41 | Mini/Micro Hydropower Development Project | Energy | GEF | 228,500 | 1997-2003 | NEX/DoE, MTI |
| | | | Swedish | 135,000 | | |
| BHU/01/002 | Solar Energy Programme Review & Preparation of Sustainable Solar Energy Programmes and Project Proposal for Bhutan | Energy | SPPD | 54,500 | 2001-2002 | UNIDO |
| | Support to National Assessment for the WSSD | Multi-focal | Cap21 | 10,000 | 2001-2002 | NEX/NEC |
| BHU/02/G41 | National Capacity Self-Assessment (NCSA) for Global Environmental Management | Multi-focal | GEF | 25,000 | 2002-2003 | NEX/NEC |
| | | | RGOB | 2,500 | | |
| BHU/03/G31 | Self-Assessment and Action Plan Development for National Capacity Building in Bhutan for GEF | Multi-focal | GEF | 199,100 | 2004-2005 | NEX/NEC |
| BHU/03/G35 | Linking and Enhancing Protected Areas (LINKPA) | Biodiversity | GEF | 792,000 | 2003 –2007 | WWF/Bhutan |
| | | | WWF | 643,000 | | |
| | | | RGOB | 420,000 | | |
| BHU/03/G37 | National Adaptation Programme of Action (NAPA) | Climate Change | GEF | 199,000 | 2004-2005 | NEX/NEC |
| | GEF Small Grants Programme* | Climate Change | GEF | 478,407 | 199-2003 | NS Committee/DADM |
| BHU/98/G52 | | | | | | |

* mid-term/final evaluation undertaken

OBJECTIVES OF THE OUTCOME EVALUATION

The outcome evaluation shall assess the following:

- (i) *outcome analysis* - what and how much progress has been made towards the achievement of the outcome (including contributing factors and constraints);
- (ii) *Output analysis* - the relevance of and progress made in terms of the UNDP outputs (including analysis of both project and non-project activities);
- (iii) *Output-outcome link* - what contribution UNDP has made/is making to the progress towards the achievement of the outcome; and,
- (iv) Assess partnership strategy in relation to the outcome.

The results of the outcome evaluation will be used for re-focusing the interventions during the second half of the current CCF (if necessary) and guiding future programming.

SCOPE OF THE EVALUATION

The outcome evaluation is expected to analyze the status of the outcome, particularly in relation to UNDP contribution to the outcome through project activities and soft assistance.

The outcome evaluation is expected to address the following issues:

Outcome analysis

- What is the current situation and possible trend in the near future with regard to the outcome?
- Whether sufficient progress has been achieved vis-à-vis the outcome as measured by the outcome indicator?
- What are the main factors (positive and negative) that affect the achievement of the outcome?
- Whether the outcome indicators chosen are sufficient to measure the outcomes?
- To what extent synergies in programming such as partnerships including among various UNDP programmes related to outcome

Output analysis

- Are the UNDP outputs still relevant to the outcome?
- Has sufficient progress been made in relation to the UNDP outputs?
- What are the factors (positive and negative) that affect the accomplishment of the outputs?
- Assess whether and how the environment-poverty nexus has been addressed and promoted in UNDP's activities; i.e. whether environmental conservation and natural resource management activities address livelihood issues.
- Assess whether environmental concerns have been considered in the national development planning.
- Assess UNDP's ability to advocate best practices, and influence integration of sustainable development into national policies and plans.
- Analysis of UNDP support to Royal Government of Bhutan to enhance national capacity to negotiate and implement the international conventions/ treaties to which Nepal is signatory to.

Output-outcome link

- Whether UNDP's outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects, and soft assistance);
- What are the key contributions that UNDP has made/is making to the outcome?
- What has been the role of UNDP soft-assistance activities in helping achieve the outcome? Has UNDP been able to catalyze wider application of new technologies, promote public participation, or support implementation of environmentally friendly policies?
- With the current planned interventions in partnership with other actors and stakeholders, will UNDP be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed?
- Whether UNDP's partnership strategy has been appropriate and effective. Has UNDP been able to bring together various partners across sectoral lines to address environmental concerns in a holistic manner?
- Assess UNDP's ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, holistic and participatory approach). Has UNDP been able to respond to changing circumstances and requirements in capacity development?
- What is the prospect of the sustainability of UNDP interventions related to the outcome?

PRODUCTS EXPECTED FROM THE EVALUATION

The key product expected from this outcome evaluation is a comprehensive analytical report which include the following contents:

- Executive summary;
- Introduction;
- Description of the evaluation methodology;
- An analysis of the situation with regard to the outcome, the outputs, and the partnership strategy;
- Analysis of salient opportunities to provide guidance for the future programming;
- Key findings (including best practice and lessons learned);
- Conclusions and recommendations; and,
- Annexes: TOR, field visits, people interviewed, documents reviewed, etc.

METHODOLOGY

An overall guidance on outcome evaluation methodology can be found in the *UNDP Handbook on Monitoring and Evaluating for Results* and the *UNDP Guidelines for Outcome Evaluators*. The evaluators should come up with a suitable methodology for this outcome evaluation based on the guidance given in these two documents.

During the outcome evaluation, the evaluators are expected to apply the following approaches for data collection and analysis:

- Desk review of relevant documents (project document with amendments made, review reports -midterm/final/TPR, donor-specific, etc);
- Discussions with the Senior Management and programme staff of UNDP CO;

- Interviews with and participation of partners and stakeholders; and,
- Field visits to selected project sites;
- Consultation meetings.

EVALUATION TEAM

The evaluation team will comprise of two consultants: one international consultant (as the team leader) and one national consultant (as team member). The international consultant should have an advanced university degree and at least eight years of work experience in the field of sustainable environment and energy development, sound knowledge about results-based management (especially results-oriented monitoring and evaluation). The team leader will take the overall responsibility for the quality and timely submission of the evaluation report to the UNDP Country Office.

Specifically, the team leader will perform the following tasks:

- Lead and manage the evaluation mission;
- Design the detailed evaluation scope and methodology (including the methods for data collection and analysis);
- Decide the division of labor within the evaluation team;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above);
- Draft related parts of the evaluation report; and
- Finalize the whole evaluation report.

The national consultant should have advanced university degree and at least five years work experience in the area of energy and environment. S/he should have sound knowledge and understanding of environment sector in Bhutan, and have experience in conducting evaluation. S/he will perform the following tasks:

- Review documents;
- Participate in the design of the evaluation methodology;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above);
- Draft related parts of the evaluation report; and,
- Assist Team leader in finalizing document through incorporating suggestions received on draft related to his/her assigned sections.

IMPLEMENTATION ARRANGEMENTS

To facilitate the outcome evaluation process, UNDP Bhutan will set up an Evaluation Focal Team (EFT). The EFT will assist in connecting the evaluation team with Programme Unit, senior management, and key stakeholders. In addition, the EFT will provide both substantive and logistical support to the evaluation team, ensure participatory evaluation process, and comment on the draft evaluation report. The Head of Environment Unit with support of the EFT members, will facilitate the evaluators in the specific areas of expertise to develop plan, methodology and scope of evaluation; conduct field visits; and organize meetings. During the evaluation, EFT will help identify the key partners for interviews by the evaluation team. However, the evaluation will be fully independent and the evaluation team will retain enough flexibility to determine the best approach to collecting and analyzing data for the outcome evaluation.

Evaluation mission schedule (5th April to 25th April, 2004)

| Activity | Timeframe and responsible party |
|--|---|
| Evaluation design and workplan | 1 day, by the evaluation team |
| Desk review of existing documents | 3 days, by the evaluators |
| Field visits, interviews with partners, and key stakeholders | 7 days, by the evaluation team |
| Drafting of the evaluation report | 5 days, by the evaluation team |
| Debriefing with UNDP | 0.5 day, UNDP and the evaluation team |
| Debriefing with partners | 0.5 day, partners and the evaluation team |
| Finalization of the evaluation report (incorporating comments received on first draft) | 3 days by the evaluation team |

Working Days:

20 working days for Team Leader

18 working days for the national consultant

VIII. SELECTED DOCUMENTS TO BE STUDIED BY THE EVALUATORS

The evaluators should study the following documents:

- UNDP Handbook on Monitoring and Evaluating for Results
- UNDP Guidelines for Outcome Evaluators
- UNDP Results-Based Management: Technical Note
- United Nations Development Assistance Framework (UNDAF) for Bhutan (2002-2007)
- UNDP 2nd Country Cooperation Framework (CCF) for Bhutan (2002-2006)
- UNDP Strategic Results Framework (SRF) for Bhutan (2000-2003)
- UNDP Results-Oriented Annual Report (ROAR) for Bhutan (2001, 2002)
- UNDP Project documents, project monitoring reports, and project evaluation reports
- UNDP National Human Development Report for Bhutan
- 9th Five Year Plan document
- National policies, strategies, and plans related to the outcome
- Other documents and materials related to the outcome (e.g. government, donors)

Annex 2: People Met

At Thimphu

UNDP Bhutan Country Office

1. Dierdre Boyd, Deputy Resident Representative
2. Renata Lok Dessallien, Resident Representative
3. Seeta Giri, Unit Head, Environment Unit
4. Sunita Giri, Assistant to RR/ Resident Coordinator of the UN System
5. Sonam Lhendup, Unit Head, Governance Unit
6. Tshering Pem, Unit Head, Poverty Unit and MDG
7. Jigme Tobgay, Programme Associate, Environment Unit
8. Wangdi Tshering, Unit Head, Programme Monitoring and Support Unit

RGOB Agencies

9. Kesang Chhoden, Senior Programme Officer, Department of Aid and Debt Management
10. Kunzang Dorji, Communications Officer, NEC Secretariat
11. Lam Dorji, Executive Director, RSPN
12. Lam Dorji, Director, Department of Planning, Ministry of Finance
13. Mewang Gyeltshen, Head, Renewable Energy Division, Department of Energy
14. Thinley Namgyal, Technical Division, NEC Secretariat
15. Tobgyal Sonam Namgyal, Director, Bhutan Trust Fund for Environmental Conservation
16. Yeshey Penjor, Programme Officer, NEC Secretariat
17. Tshering Tashi, Head, Technical Division, NEC Secretariat
18. Ugen Tenzin, ESPS Coordinator, NEC Secretariat
19. Dechen Tsering, Head, Policy and Coordination Division, NEC Secretariat
20. Karma Tshering, Asstt Programme Officer, PCD, NEC Secretariat
21. Ugyen Tshewang, Director, National Biodiversity Center, Serbithang
22. Sangay Wangchuk, Head, Nature Conservation Division, Ministry of Agriculture
23. Nima Wangdi, Director, Department of Aid and Debt Management
24. Tenzin Wangmo, Planning Officer, Department of Planning, Ministry of Finance
25. Tshewang Zangmo, Asstt Programme Officer, PCD, National Environment Commission Secretariat

Other International Agencies

26. Torben Bellers, Minister Counsellor, Liaison Office of Denmark
27. Saamdu Chetri, Deputy Resident Coordinator, SDC/ Helvetas Bhutan
28. Tek Bahadur Chhetri, Programme Officer, Liaison Office of Denmark
29. Cecilia Keizer, Country Director, SNV Bhutan
30. Erwin Koenig, Resident Coordinator, SDC/ Helvetas Bhutan
31. Kinzang Namgay, Country Representative, WWF Bhutan Program
32. Chadho Tenzin, Senior Programme Officer, WWF Bhutan Program
33. Hendrik Visser, NRM Programme Coordinator/ EFRC Specialist, SNV Bhutan

In the field

Jigme Dorji National Park

34. Gomchhen, Gup, Goenshari geog, Punakha Dzongkhag
35. Jambay, Livestock Development Extension Agent, RNR Center, Damji, Goenkhome geog, Gasa Dzongkhag
36. Kenchop, Mange Ap, Damji, Goenkhome geog, Gasa Dzongkhag

37. Kinley Dorji, Head Teacher, Community Primary School, Goenshari, Goenshari geog, Punakha Dzongkhag
38. Sonam Dorji, Head Teacher, Community Primary School, Damji, Goenkhome geog, Gasa Dzongkhag
39. Sonam Drugyel, Forestry Extension Agent, RNR Center, Damji, Goenkhome geog, Gasa Dzongkhag
40. Kencho Gyeltshen, Gup, Damji, Goenkhome geog, Gasa Dzongkhag
41. Tashi Pelden, Incharge, JDNP Guard Post, Tashithang
42. Tenzin Phuntsho, Park Warden, ICDP Unit
43. Tshering Phuntsho, Park Manager
44. Namgay Wangchuk, Park Warden, REMO Unit

Bumthang Dzongkhag Administration

45. Dawa Dorji, Dzongkhag Livestock Officer
46. Jigme Dorji, Dzongkhag Agriculture Officer
47. Lobzang Dorji, Dzongkhag Planning Officer
48. Sonam Phuntsho, Dzongkhag Forestry Extension Officer (also currently the Dzongkhag RNR Coordinator)
49. Kunzang N. Tshering, Dasho Dzongda

Thrumshingla National Park

50. Pema Dhendup, Deputy Warden (Incharge), Anti Poaching Unit
51. Jigme Dorji, Warden, Patrol Monitoring and Research Section
52. Sangay Dorji, Warden, Integrated Conservation and Development Section
53. Tashi Dorji, Warden, Environmental Awareness and Education Unit
54. Sonam Wangchuk, Park Manager

Annex 3: Itinerary

| | |
|---|--|
| Tue, 6 April | Meetings at UNDP Bhutan Country Office, with the Evaluation Focal Team and individually with Unit Heads |
| Wed, 7 April | Meetings with: Department of Planning, Ministry of Finance Resident Representative and Deputy Resident Representative, UNDP Netherlands Development Organization (SNV) |
| Thu, 8 April | Meetings with: Department of Aid and Debt Management, Ministry of Finance National Environment Commission Secretariat Royal Society for the Protection of Nature World Wildlife Fund Bhutan Program |
| Fri 9 April | Meetings with: SDC/ Helvetas Bhutan Coordination Office Bhutan Trust Fund for Environmental Conservation Liaison Office of Denmark Nature Conservation Division, Ministry of Agriculture Discussion on preliminary observations with the UNDP Evaluation Focal Team |
| Sat, 10 April | Travel to JDNP Headquarters at Damji. On the way, lunch at Lobesa. Halt at JDNP Headquarters, Damji. |
| Sun, 11 April | Meetings with JDNP Park Manager and other staff. Visits to the RNR Center and Community Primary School at Damji and to Damji village. Overnight at Damji. |
| Mon, 12 April | Travel back to Punakha. On the way, visit to the Community Primary School at Goenshari. Overnight at Meri Puensum Resort, Wolakha. |
| Tue, 13 April | Travel to Bumthang. Meeting with Dasho Dzongda and dzongkhag sectoral officers of Bumthang Dzongkhag Administration. Overnight at Kaila Guest House, Chamkhar. |
| Wed, 14 April | Visit to TNP Headquarters at Ura and discussion with park staff. After lunch, visit to Rhododendron In-situ Garden at Thrumshingla Pass. Return to Bumthang. Overnight at Kaila Guest House, Chamkhar. |
| Thu, 15 April | Travel back to Wangduephodrang. Overnight at Kyitchhu Resort, Chhuzomsa. |
| Fri, 16 April | Travel back to Thimphu. Meetings with: National Biodiversity Center, Serbithang Planning and Policy Division, Ministry of Agriculture Discussion of preliminary findings with UNDP Focal Evaluation Team Report writing |
| Sat, 17 April - Sun, 18 April Mon, 19 April | Meetings with: UNDP/ GEF Small Grants Programme Renewable Energy Division, Department of Energy Afternoon, report writing |
| Tue, 20 April | Debriefing meetings with: Resident Representative and Deputy Resident Representative, UNDP Department of Aid and Debt Management |
| Wed, 21 April | Presentation of findings to UNDP staff, partners and other stakeholders Meeting with Department of Geology and Mines |

Thu, 22 April
Fri, 23 April

Report writing
Submission of draft report

Annex 4: List of People Present at the Presentation of Preliminary Findings, 21 April

1. Deirdre Boyd, Deputy Resident Representative, UNDP
2. Gerald Daly, Representative, World Food Programme
3. Pem Deki, Program Associate, Programme Monitoring and Support Unit, UNDP
4. Renata Lok Dessallien, Resident Representative, UNDP
5. Lam Dorji, Executive Director, Royal Society for the Protection of Nature
6. Seeta Giri, Unit Head, Environment Unit, UNDP
7. Mewang Gyeltshen, Head, Renewable Energy Division, Department of Energy
8. Erwin Koenig, Resident Coordinator, SDC/ Helvetas Bhutan Coordination Office
9. Sonam Lhendup, Unit Head, Governance Unit, UNDP
10. Thinlay Namgyel, Programme Officer, National Environment Commission Secretariat
11. Dorji Om, Programme Assistant, Environment Unit, UNDP
12. Marie Pedersen, Programme Officer, Governance Unit, UNDP
13. Tshering Pem, Poverty Unit/ MDG, UNDP
14. Yeshey Penjor, Programme Officer, National Environment Commission Secretariat
15. Tirtha Rana, Programme Associate, UNDP/ GEF Small Grants Programme
16. Chadho Tenzin, Senior Programme Officer, WWF Bhutan Programme
17. Ugen Tenzin, ESPS Coordinator, National Environment Commission Secretariat
18. Minori Terada, Programme Officer, Governance Unit, UNDP
19. Jigme Tobgay, Programme Associate, Environment Unit, UNDP
20. Dechen Tsering, Head, PCD, National Environment Commission Secretariat
21. Karma Tshering, Asstt Programme Officer, PCD, National Environment Commission Secretariat
22. Wangdi Tshering, Unit Head, Programme Monitoring and Support Unit, UNDP
23. Hendrik Visser, NRM Program Coordinator/ EFRC Specialist, SNV
24. Chuki Wangchuk, Programme Officer, Bhutan Trust Fund for Environmental Conservation
25. Sangay Wangchuk, Joint Director, Nature Conservation Division, Ministry of Agriculture
26. Tenzin Wangmo, Planning Officer, Department of Planning, Ministry of Finance
27. Chris Whitehouse, Programme Officer, UNV
28. Jambay Zangmo, Asstt Programme Officer, DADM, Ministry of Finance
29. Tshewang Zangmo, Asstt Programme Officer, PCD, National Environment Commission Secretariat

Annex 5: Documents Reviewed

1. Bhutan 2020: A vision for Peace, Prosperity and Happiness, Planning Commission, RGOB, 1999.
2. Bhutan 2003: People at the Centre of Development, Background paper for the Eighth Round Table Meeting, February 2003.
3. Report of the Eighth Round Table Meeting, February 2003.
4. Development Cooperation, Bhutan Joint Donor Database: Report for 2001, UNDP, December 2002.
5. Bhutan ROAR 2002 and Strategic Results Framework (SRF) for year 2003, UNDP.
6. First Country Cooperation Framework for Bhutan (1997-2001), Executive Board of the UNDP and UN Population Fund.
7. Second Country Cooperation Framework for Bhutan (2002-2006), Executive Board of the UNDP and UN Population Fund.
8. Country Programme Strategy, Second Operational Phase (1999-2001), UNDP/GEF Small Grants Programme, Bhutan
9. UNDP/GEF Small Grants Programme Strategic Framework, 1999.
10. Bhutan: The Road From Rio, National Assessment of Agenda 21 in Butan, National Environment Commission, RGOB, 2002.
11. National Environment Strategy for Bhutan: The Middle Path, National Environment Commission, RGOB, 1998.
12. Biodiversity Action Plan for Bhutan 2002, Ministry of Agriculture, RGOB, 2002.
13. The 9th Plan (2002-2007), The Planning Commission, RGOB.
14. The 8th Plan (1997-2002), The Planning Commission, RGOB.
15. Ninth Five Year Environment Sector Plan (2002-2007), NECS, RGOB.
16. Renewable Natural Resources Sector Ninth Plan (2002-2007), MoA, RGOB.
17. Bhutan: Treading the middle path to sustainable development, National Environment Commission, 2002.
18. Millennium Development Goals, Progress Report 2002, Bhutan, RGOB.
19. First Green House Gas Inventory, National Environment Commission, RGOB, September 2000.
20. Initial National Communication on Climate Change, National Environment Commission, RGOB, September 2000.
21. Balancing Development with Conservation, Discussion paper, UNDP, www.undp.org.bt/
22. Managing Production landscapes in support of Protected areas sustainability, GEF Case study on JDNP, UNDP, 2004.
23. Working with rural communities to conserve wood energy: A case study from Bhutan, www.undp.org.bt/
24. UNDP project sheets, www.undp.org.bt/
25. Linking and enhancing Protected Area in the temperate broadleaf forest ecoregion of Bhutan (LINKPA), Project Document, RGOB and UNDP.
26. LINKPA Update, 2003-2004.
27. Integrated Management of Jigme Dorji National Park (1997-2003), JDNP Terminal Review, 2003.
28. Integrated Management of Jigme Dorji National Park (1997-2003), Project No. BHU/96/G33 (GEF) and BHU/96/008 (UNDP).
29. Environmental Assessment Act, 2000, National Environment Commission, Royal Government of Bhutan
30. Forest and Nature Conservation Act of Bhutan, 1995, RGOB.
31. Geog Yargay Tshogchung Chathrim, 2002, Ministry of Home Affairs, RGOB.
32. Forest and Nature Conservation Rules of Bhutan, Vol. 1, 2003, DoF/MoA, RGOB.

33. Report of the Biennial Programme Review of the UNDP/GEF Small Grants Programme in the Kingdom of Bhutan (October 1998-June 2002), prepared by Ugen P. Norbu, UNDP/GEF SGP, Bhutan, November 2002.
34. Community-Based Natural Resource Management in Bhutan: A Framework, 2002, Department of Research and Development Services, MoA, RGOB.
35. Dzongkhag Yargay Tshogdu Chathrim, 2002, Ministry of Home Affairs, RGOB.
36. Integrated Conservation and Development Plan: Lunana Geog, Gasa Dzongkhag, September 2001, Facilitated by: Gasa Dzongkhag, Jigme Dorji National Park, NCD, DoF & MoA.
37. RSPN Publicity Brochure
38. Establishment of Bhutan Integrated Biodiversity Information System (BIBIS), Draft Proposal, National Biodiversity Centre, MoA.
39. RSPN Endowment Fund: Sustaining Citizen's Participation in Environmental Conservation in Bhutan, Publicity Brochure, RSPN.
40. RSPN Newsletter, Issues XVIII and XIX, September 2003 & December 2003
41. Danida in Bhutan, Information Brochure, Liaison Office of Denmark, Thimpu.
42. Bhutan Trust Fund for Environmental Conservation, Annual Report, 2002.
43. UNDAF Business Plan for Bhutan (2002-2007), Prepared by the RGOB and UN System in Bhutan, 2003.
44. Bhutan National Human Development Report, 2000, The Planning Commission Secretariat, RGOB.
45. Striking the Balance: Guidelines to identify Integrated Conservation and Development Programmes (ICDPs) in the Protected Areas of Bhutan, 2003, The Management Planning and ICDP Section, NCD/DoF/MoA.
46. Vision and Strategy for the Nature Conservation Division, 2003, Department of Forestry Services, MoA, RGOB.
47. Bhutan National Ecotourism Strategy, 2001, Department of Tourism, Ministry of Trade and Industry, RGOB.
48. Environment and Sustainable Development, Report on the Paro Workshop, Bhutan, 1990, UNDP/RGOB/Government of Denmark.

Annex 6: UNDP Environment Projects and Outputs

| Project No. | Project Title | Intended Outputs |
|--------------------------|---|--|
| BHU/96/G31 | Bhutan National Greenhouse Gas Project (1997-2003) | <p>Output 1: Establishment of Project Management Team with the NECS</p> <p>Output 2: Establishment of a system for preparing inventories</p> <p>Output 3: Development of list of promising GHG abatement measures in the context of national GHG inventory, and development of methodology for assessment of GHG abatement measures</p> <p>Output 4: Procedures for assessing vulnerability to future climate change</p> <p>Output 5: Comprehensive set of baseline data required as reference points for assessing vulnerability and adaptation options</p> <p>Output 6: Comprehensive assessment of Bhutan's vulnerability to climate change</p> <p>Output 7: Procedures for identifying and evaluating adaptation options</p> <p>Output 8: National adaptation options to climate change</p> <p>Output 9: National plan for mitigation and adaptation</p> <p>Output 10: First National Communication to the FCCC</p> <p>Output 11: Identification and submission of technology needs for GHG sequestration</p> <p>Output 12: Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects</p> <p>Output 13: Capacity building for participation in systematic observation networks</p> <p>Output 14: Studies leading to the preparation of national programs to address climate change improvement of emission factors.</p> |
| BHU/96/G32 | National Biodiversity Conservation Strategy (1997-2003) | <p>Output 1: Preparation of National Biodiversity Strategy and Action Plan</p> <p>Output 2: The First National Report on Bhutan's biodiversity submitted to COP/CBD in 2002</p> <p>Output 3: Assess needs and identify priorities on the needs for the implementation of general measures for <i>in-situ</i> and <i>ex-situ</i> conservation and sustainable use</p> <p>Output 4: Assess needs to evaluate and mitigate specific threats to components of biodiversity</p> <p>Output 5: Assessment of capacity building needs in biodiversity monitoring including taxonomy</p> <p>Output 6: Consultative process for 2nd National Biodiversity Report</p> |
| BHU/96/G33 BHU/96/008 | Integrated Jigme Dorji National Park (1997-2003) | <p>Output 1: Fully trained staff managing the Park</p> <p>Output 2: Approximately 4 warden trained in PA and wildlife management. Over 50 park staff and Geog partners trained in the ICDP-related methodologies and sustainable development. 14 wardens and Geog partners trained in community forestry</p> <p>Output 3: 250 km of boundary demarcated. Boundaries of the 6 different zones within the park demarcated. Eight warden/guard posts. Two interpretive centers</p> <p>Output 4: Twenty-six Geog representatives trained. 9 Geog CNRMPs finalized and implementation underway. All six land use zones demarcated and agreed upon by stakeholders</p> <p>Output 5: Tourism Management Programme developed and under implementation</p> <p>Output 6: GIS database for JDNP containing information on species distribution, abundance, livestock numbers and forest cover. One GIS technician trained</p> <p>Output 7: Information for effective management. Grassland user groups defined. Grazing permits verified. Information recorded and mapped at 1:50,000,000 scale and entered into GIS</p> <p>Output 8: New plant harvesting system in place. Ten new credit schemes per year utilized for sustainable economic development. Ten sustainable economic development demonstration workshops held in various locations in the Park</p> <p>Output 9: Nurseries established in areas identified by communities. Pilot demonstration on social forestry, cooking/heating stove and solar water boiling reflectors given to 100 households. One pilot micro-hydro power generator installed in Laya benefiting about 80 houses and tourist lodges. Electricity-run flour/oil mills established</p> <p>Output 10: Ten brochures in Dzongkha produced. One book on JDNP in English and Dzongkha produced</p> |
| BHU/96/G81 | Strengthening | Output 1: Improved linkages and coordination among relevant organizations, regarding |

| | | |
|------------|--|---|
| BHU/96/001 | Environmental Management & Education in Bhutan (1996-2002) Capacity 21 | environmental management and education Output 2: Personnel trained in environmental management and monitoring, including EIA, and enabled to apply this information in field activities Output 3: Strengthened environmental education programmes for primary, secondary and monastic schools; Trained community leaders, who are enabled to promote environmental awareness at the Geog level and incorporate environmental concerns into the local-level planning process |
| BHU/03/002 | Support for Implementation of Micro Environmental Action Plans (2003-2005) Capacity 21 | Output 1: Enhanced awareness and ability of GYT and DYT to undertake sustainable development initiatives Output 2: Improved capacity of NEC to manage environment within the context of new decentralization policy Output 3: 40 Geogs implementation of MEAPs underway (2 in each Dzongkhag) |
| BHU/98/G41 | Mini/Micro Hydropower Development Project (1997-2003) | Output 1: A report consisting of potential off-grid min/microhydro sites with load forecasting and socio-economic situation at those sites Output 2: A report consisting of selection procedure for optimum mini/microhydro sites and a report consisting of a comprehensive list of appropriate mini/micro hydro technologies along with a list of manufacturers, vendors and installers Output 3: A project brief drawn on the basis of ongoing and baseline activities, and a full UNDP project document under the title of 'Removing Barriers to Mini and Micro Hydropower Development for Decentralized Rural Electrification in Bhutan |
| BHU/01/002 | Solar Energy Programme Review & Preparation of Sustainable Solar Energy Programmes and Project Proposal for Bhutan (2001-2002) | Output 1: Establishment of an inter-disciplinary expert group under the Department of Power for coordinating all activities related to solar electrification programme. Review of the status of solar PV programme, assessment of the problem through field survey, and development of long-term policies and strategies together with UN agencies, multi/bilateral donor partners and civil society to support solar energy programme Output 2: Evaluation of various solar PV technologies available worldwide and their cost effectiveness and performance keeping in the view the local conditions, institutional capabilities, economic opportunities and social acceptability in Bhutan Output 3: Identification of training needs and capacity of institutions to be enhanced and policies required at national, district and local levels to support solar energy programme |
| | Support to National Assessment for the WSSD (2001-2002) | Output 1: National Assessment of Agenda 21 |
| BHU/02/G41 | National Capacity Self-Assessment (NCSA) for Global Environmental Management (2002-2003) | Output 1: Design of adequate and appropriate proposal for funding for National Capacity Self-Assessment confirming to requirements set by GEF Secretariat and the preparation of funding proposal for the assessment |
| BHU/03/G35 | Linking and Enhancing Protected Areas (LINKPA) (2003-2007) | Output 1: Develop conservation and management guideline, regulatory framework and capacity for biological corridor management Output 2: Develop model initiatives for effective biological corridor management and conservation by the local authorities and communities in the selected sites Output 3: Strengthen conservation and sustainable use of biological resources in the Thrumshingla National Park as a 'linch pin' of the biological corridors. |

Annex 7: Methodological Constraints and Caveats

It would be unfair to the efforts of the Country Office and distorting the findings and conclusions of the evaluation, if this report does not highlight a number of factors that significantly impact the methodology and results of the outcome evaluation:

Project Design and Outcome Relevance

Half of the projects selected for this evaluation were designed before the SRF and, therefore, do not necessarily always target policy, integration or capacity development issues. Therefore, it is doubtful whether they can be effectively assessed against the outcome without a major “retro-fitting” of objectives and results.

Project Type

Among the projects reviewed, there are several preparatory and enabling activities. As a matter of fact, within the portfolio, there are only two “on-the-ground” projects that have been completed (JDNP and Cap21), and two more (Support to MEAP and LINKPA) that began implementation last year. The other six projects represent a mix of support for Bhutan’s international commitments and project preparation. The composition of the pipeline reinforces this trend. This portfolio composition makes it very difficult to gauge the impact of UNDP interventions, as – by definition – enabling and preparatory projects are to be followed by “full” projects, which would build on their predecessors. The evaluation team has dealt with this on a case-by-case basis in the relevant sections of the outcome analysis.

SRF and Country Cooperation Framework (CCF)

In the case of Bhutan, the SRF cycle (2000-2003) and the CCF II period (2002-2006) do not match. As a result, the objectives and results of the two strategic instruments do not match completely. Compared to the SRF outcome on integration global environmental concerns, CCF II has a strategic area of support on *Institutional framework for sustainable environmental management and energy development* and associated results of *legal, policy and institutional frameworks for the protection of the environment; eco-tourism plans for designated protected areas; increased income of rural farmers in selected areas; and community-based natural resources management plans in selected areas*. While these results seem to be more in tune with current projects, they do not reflect any longer integration and capacity-building efforts at national level. For the purpose of our evaluation, we have chosen to disregard these discrepancies and focus on the SRF.

SRF and Intervening Developments

Due to the fact that the SRF is a rather static planning framework that only changes every four years, it does not lend itself well to adaptive management. A good example in the case of Bhutan is the impact of the decentralization process. Since the 2002 *DYT* and *GYT Chathrimis*, needs and priorities have shifted considerably. The SRF cannot reflect these important

developments. Methodologically, the evaluation team has tried to capture external factors affecting the achievement of the outcome in the different sections of the report but we strongly feel that some of the factors prevalent in Bhutan today would call for major adjustments of the SRF.

UNDP Evaluation, Government Ownership and Partner Efforts

An outcome evaluation presents the challenge of reconciling a broader analysis of Government efforts, partner contributions and external factors with a specific emphasis on UNDP outputs. The SRF is a strategic UNDP tool, whose outcomes and indicators do not necessarily match those of Government or partners. Furthermore, as a UNDP evaluation, available analytical documents and background information are predominantly those of the organization, thereby introducing a bias, which makes it very difficult to do justice to the important contributions of other development actors. Last but not least, in countries with strong government ownership and national execution, such as Bhutan, it is inherently difficult to disentangle and attribute particular interventions.