

The year 2006 was marked by significant political change. At the end of 2005, the Fourth King of Bhutan, His Majesty Jigme Singye Wangchuck, announced that the Crown Prince, Jigme Khesar Namgyel Wangchuck would be enthroned as the fifth King of Bhutan in 2008, and indicated his intention to delegate responsibilities to him before 2008. In December 2006, the King formally handed over his responsibilities as Monarch and head of state of Bhutan to the Crown Prince. This was seen as part of the broader transition in 2008 to a parliamentary democracy with a constitutional monarchy. The draft Constitution embodying these changes was widely distributed in March 2005, and public consultations in all twenty districts were completed by the King and Crown Prince and senior government officials in May 2006. The Constitution is scheduled to be adopted in 2008 by the incoming elected parliament. This political transition is expected to increase needs for assistance from the UN system in a number of areas, including building the new democratic institutions required under the Constitution (such as the Election Commission) as well as development of civil society organizations and media. Data from the Population and Housing Census conducted in 2005 was released in April 2006. The data from the Bhutan's first population census will be extremely valuable in providing more granular information for targeted interventions (see below). 2006 also saw developments in respect of the issue of people in the camps in eastern Nepal. Some countries, including USA, Australia and Canada, have offered to resettle significant numbers of the camp residents. This will be on a voluntary basis and there will be those who wish to return to Bhutan. In this respect, the bilateral process has not progressed very much in part because of the political situation in Nepal and the lack of implementation of previously agreed steps to verify those wishing to return. There is window of opportunity to solve this long-running problem with humanitarian and security implications for the sub-region, but more determined efforts are needed on all sides.

## Summary on progress towards UNDAF outcomes

In order to develop national capacity in collecting and analyzing data, the UN Data Theme Group has updated Druk Info incorporating new indicators from the Population and Housing Census 2005. About forty government officials from ministries and Dzongkhags (districts) were trained to analyse progress of MDGs using Druk Info Data. Thirty-five government officials were also trained on Results Based Management. The Gender Theme Group undertook advocacy and awareness raising activities on gender issues and importance of women's participation in decision making. The group has expanded to include members from the National Commission for Women and Children (NCWC), RENEW (NGO) and SNV, and enhanced its coordination capacity. Members of the group participated in the consultation and preparation process of the National Plan of Action for Women which was formulated by the NCWC. Several workshops and events for gender sensitization were supported by the UN system. For instance, the National Consultation on Women and Child Friendly Judicial Procedures which targeted judicial and police personnel was held by the Royal Court of Justice and the NCWC with support of UNDP, UNICEF and UNIFEM, and a workshop on gender mainstreaming and analysis was held for national gender focal points with support from UNDP and UNIFEM. International Women's Day was also used for advocacy of gender issues in the country. The HIV/AIDS Theme Group continues to support coordination and advocacy and increased its capacity by expanding its membership to include government officials. Theme Group members benefited from attending a regional conference on defining the road towards universal access to HIV prevention, treatment, care and support. World AIDS Day was graced by Her Majesty the Queen, Ashi Sangay Choden Wangchuck, UNFPA Goodwill Ambassador, in Samtse, southern Bhutan, and more than four thousand people including monks, students, general public, and government officials attended the ceremony. Thirty-five doctors on traditional medicine were also trained on HIV/AIDS prevention. The UN Disaster Management Team worked closely with the government to help complete the National Disaster Risk Management Framework. It also assisted the on-going formulation of Thimphu City Disaster Management Plan. The Group has also revised UN Bhutan AI Contingency Plan to include programme continuity and the UN system support to national AI preparedness.

## Summary on progress in UN Reform

(i) efforts to align with the national development processes

In view of the political changes the country is undergoing, the government extended the current 9th Five Year period by one year until June 2008. This means that the 10th Five Year Plan will start in July 2008. The UNCT, therefore, decided to extend the current UNDAF by one year and to start the next UNDAF in 2008. CCA was completed and published in July 2006. The subsequent UNDAF formulation process was highly consultative, involving all stakeholders, including RGOB officials, donor agencies, NGOs, non-resident UN agencies and resident agencies. Five priority areas, i.e. poverty reduction, health, education, good governance and

environment and disaster management were agreed by more than 80 participants during the UNDAF Strategic Planning Retreat in Thimphu in August. Working groups to work on the results matrix and M & E matrix were set up to each priority area, and intensive discussion and formulation of matrices continued until October. The draft document benefited from comments from the RGOB, donor agencies and the Regional Support Group. The final document has been sent to the RGOB for their endorsement.

(ii) support to the national government in the preparation, implementation, and/or revision of comprehensive MDG-based national development strategies;

An extensive MDG needs assessment and costing exercise has been supported by the UNCT and jointly funded by the resident UN agencies. The report is expected to be finalised in mid 2007. The process of the MDG needs assessment and costing exercise involved training on the methodologies of assessment and costing, and this has led to significant development of national counterparts' capacity to integrate MDGs concerns into national development planning. A poverty survey proposed by the Planning Commission Secretariat will be assisted jointly by the UN agencies in Bhutan. This will complement the population census in providing more detailed data at the local level.

(iii) progress UNCTs are making collectively in support of the national partners' endeavors towards capacity development and aid effectiveness;

The Ninth Round Table Meeting was held in February 2006 in Geneva. There was a high level of participation, including 14 bilateral development partners and 26 multilateral and other development agencies with over one hundred participants. Extensive discussions on development issues, donor harmonization, and other issues of common interests took place. The need for continued support to ensure a smooth transition to parliamentary democracy and to meet the MDGs was recognized among participants. The MDG needs assessment and costing exercise for Bhutan is an outcome of the discussions at the RTM. UNCT agreed to developing common positions for the RTM and as a result two UN system joint statements were tabled on issues of common interest, in particular the issue of people in the camps, and on development priorities. During the year, donor coordination meetings were held on private sector development, decentralization, and disaster management. There were meaningful discussions on how effectively development agencies in Bhutan can support the government's efforts in these areas. The meetings were attended by senior government officials and about fifteen development agencies active in the respective areas. A number of meetings involving the UN and the World Bank have discussed procedural harmonization and progress has been made in the areas of audit financial reporting and procurement. Theme Groups have expanded their memberships to national counterparts this year. This has led to a better coordination with the government, and also has been found useful in mapping what partner agencies are working on and also identifying opportunities for UN agencies

(iv) experiences with joint programmes and HACT, as well as other highlights in coordination;

The resident UN agencies in Bhutan have collaborated on several fronts in conducting activities in support of common goals and objectives. Many of these have been through parallel funding and some through pooled funding.

The MDG Needs Assessment and Costing Exercise supported by the UNCT and jointly funded by the resident UN agencies is one such collaborative activity which has had a good impact in terms of ensuring a unified UN approach within the MDG framework. The exercise was conducted in tandem to the UNDAF preparation process and the Government's 10th Five Year Plan preparation thereby ensuring that the UN priorities are aligned to the national priorities and needs of the Government and the internationally agreed goals of the MDGs.

Other collaborative activities where two or more UN agencies were involved include the following: Rubella Vaccination Campaign was jointly supported by UNICEF and WHO. About 330,000 people were vaccinated with the measles and rubella vaccine during the country's first nationwide rubella vaccination campaign from March 16 to 21. The campaign achieved a total coverage of 98 percent. The MDG advocacy campaign initiated by college students was also jointly supported by UNCT. Based on a similar collaborative activity in 2005 with "Young People on the Wheels", which made a good impact, it is expected that the group of college students will form a core youth advocacy group for the UN in response to awareness raising on issues affecting the youth and the MDGs. The resident agencies have also jointly supported activities related to mainstreaming gender into the national planning process through technical support in drafting the National Plan of Action on gender and in building the capacity of key stakeholders from the judiciary, police and the national commission for women and children. UNICEF and WFP have collaborated based on their MOU in the area of education. Human Security Fund project, a collaboration of four UN agencies, is under formulation. A joint project to support to implement the National Disaster Risk Management Framework is also in pipeline. A poverty survey is scheduled for 2007 jointly supported by UNFPA, UNICEF and UNDP. A macro assessment of the public financial system for implementation of HACT has been carried out. According to the assessment, one outputs for national capacity building on public financial management has been included in UNDAF.

## Key aspects of the proposed 2007 workplan

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Results of MDG Needs Assessment and Costing Exercise will be revealed this year. The results will be a critical input to Bhutan's 10th FYP formulation, and will also be useful tool for resource mobilization. The theme groups will be restructured along the line of UNDAF to ensure effective coordination among the UN agencies in planning,

implementing, monitoring and evaluation of UNDAF Outcomes. The on-going effort to move towards more harmonisation will be intensified. A micro assessment of public financial management system will be carried out to implement HACT from 2008. Standardization of DSA and consultancy fee of the national consultants will be explored. Sharing of office vehicles among UN agencies and joint field visit will be organized. Capacity building of the UN staff on Human Rights issues will be carried out. UNCT Bhutan will formulate two year rolling plan, which will enable theme groups to plan in a longer perspectives and to undertake activities which have bigger impacts. UN House design work will be completed and the construction will start during 2007. The UN House will be designed in a manner which encourages greater UN harmonization.

## Recommendations

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The amount of entire budget for RC activities is known to us only with the release of second trench of money. Since it usually happens in May, UNCT activities tend to be hampered for almost half of the year without being informed about the exact amount they can use for the year. It is desirable that the amount is known and the fund is released at the earlier timing.