

United Nations Development Assistance Framework Bhutan

I. UN Country Team Mission Statement

The UN Country Team in Bhutan is committed to support the national development goals of the Kingdom of Bhutan in order to achieve growth with equity for Gross National Happiness. Through people-centred approaches, it will support programmes that expand choices and enlarge opportunities for disadvantaged and vulnerable communities, families and individuals. Respecting the culture of Bhutan, the UN System will provide quality advisory services and develop national capacity, becoming the ultimate development service facility in the nation.

Under this common United Nations Development Assistance Framework, the Country Team will foster communication and co-operation among all Agencies with a view toward optimising resources and enhancing the collective impact of the UN System in its focus areas, with the overarching objective of alleviating human poverty. At the same time, each Agency will retain the distinctive character of its operations, and each organisation's mandates, competence and decision-making processes will be respected.

The UN Country Team will be proactive and participative, transparent and accountable; will think cross-functionally in order to strategically contribute to the many crosscutting areas of activity; and will be interactive with the changing environment. The Country Team's loyalty is to innovation and cohesive programme performance that actualises the mission of the UN System and offers challenge, growth and credit to results. Maximising collaboration, the teamwork of the UN System thus will continue to expand its trusted partnership with the Royal Government.

(UN Heads of Agencies' signatures)

II. Executive Summary

(Section to come)

III. Bhutan's Development Challenges

3.a Human Development Challenges

In the four decades since modern development began in Bhutan with the adoption of its First Five Year Plan, the Kingdom has made impressive achievements in numerous areas: The economy is no longer entirely dependent on subsistence production; since the early 1990s, primarily through the harnessing of the nation's enormous hydropower potential, it has grown annually by nearly 7% – a rate matched by few other Least Developed Countries. Health infrastructure has expanded nearly threefold in numbers of hospitals and fivefold in Basic Health Units; communicable diseases have been reduced; and life expectancy has been improved in one decade alone from 46 to 66 years. In education, the number of students in school has risen dramatically, from only 14,500 in 1977 to more than 110,500 in 2000. Per-capita annual income in 1961, the beginning of the development process, stood at only US\$51, then the lowest in the world; now it is more than US\$551, one of the highest in South Asia. Nonetheless, poverty is a reality in contemporary Bhutan, and access to social services must be expanded to disadvantaged groups, particularly in rural areas.

Today, the guiding principle for all development efforts is the distinctively Bhutanese concept of maximising Gross National Happiness (GNH), propounded by King Jigme Singye Wangchuck. GNH forms the basis for identifying directions preferred above all others and directs efforts to improve living standards, including spiritual well-being and preservation of cultural values and the environment. Five objectives serve as powerful tools for steering the process of change, including human development; governance; balanced and equitable development; culture and heritage; and environmental conservation. These objectives not only make GNH more tangible but also embody the principles identified as of decisive importance in ensuring the future independence, sovereignty and security of the country.

In the Common Country Assessment for Bhutan, updated for a “second edition” in early 2001 by the UN System and the Royal Government, several people-centred key development issues were found to be of paramount importance, corresponding to the UN mandate to respond strategically and effectively to the needs of the most vulnerable. Foremost among these themes was governance and rights, including decentralisation to the *dzongkhag* (district) and especially the *geog* (block) levels, which will bring people's participation to the fore. Combined with this was an emphasis on transparency and accountability. At the same time, sustainable livelihoods were a critical focus, especially among rural dwellers. In examining the relevant socio-economic and other factors that lead to sustainable livelihoods, including poverty and private sector development, it was found that regional differences within the country must be taken into account in order to support the Government's objective of growth with equity. This could be buttressed by improved quality education, especially for girls, and the establishment of agricultural co-operatives, which could bring a people-based approach to the heart of the economy. Overall, it was found that gender issues leading to greater opportunities for Bhutanese women must be stressed. Finally, emphasis was laid on the collection and analysis of more socio-economic data to strengthen planning. Crosscutting all themes – governance and rights, sustainable livelihoods, gender and data – was the application of Information Technology, which will be promoted so Bhutan can bring its comparative advantages to not only its own people but also the world.

3.b National Development Goals

During the last 15 years in particular, Bhutan has aimed at promoting the national identity as well as becoming more independent of foreign capital and labour. It also has placed great emphasis on more decentralised development, on the further development of human resources and on means to develop the private sector, making it the engine for economic growth. Now,

there is a strong move toward strengthening local governance mechanisms and generating more community participation in decision-making. As preparations for the Ninth Five Year Plan (2002-2007) proceed, it appears that the vision of a *geog*-based planning process is taking form. At the same time, the Ninth Five Year Plan is emphasising the social and infrastructure sectors through quality educational and health services as well as enhancement of production capacities and income through rural access and poverty alleviation.

While the Ninth Five Year Plan provides the guidelines for development in the next five years, the normative framework for Bhutan's longer-term development goals is enshrined in the document "Bhutan 2020: A Vision for Peace, Prosperity and Happiness." In ensuring independence, sovereignty and security of the nation-state, the country's main goal of development, the guiding principles to be followed include assertion of the distinctive Bhutanese identity; unity and harmony; stability; self-reliance; sustainability; and flexibility.

3.c Country Strategies for Implementing UN Global Objectives

Bhutan's first National Human Development Report, published in June 2000, focused on a number of important development challenges that touch upon areas of concern to global UN conferences, including high population growth, employment of educated youth and rapid urbanisation. Simultaneously, UN System programmes and projects, as well as established Theme Groups, have included several initiatives aimed toward integrated follow-up to global UN conferences and commitment to the values and principles of the Millennium Declaration.

Examples include interventions in favour of quality basic education and health services, particularly for women and girls; income-generating activities in rural areas; expanded food assistance to the most disadvantaged; and opportunities for youth. In dialogue culminating at the Round Table Meeting in Thimphu in November 2000, the mutual understanding was reconfirmed that the UN System should particularly continue its development work in the area of capacity development within governance. The UN System will continue to pursue the broad-based promotion of people's participation as well as the strengthening of women's participation. All UN Agencies are fully committed to the principles of human rights, and a rights-based approach toward human development is being advocated in certain priority areas. For example, with regard to the Convention on the Rights of the Child, a Child Rights Task Force was constituted to serve as working group and focal point for relevant issues. Likewise, the UN System has been instrumental in raising gender as a priority issue and has co-ordinated a baseline, cross-sectoral gender study. Gender is a priority in the health sector as well, particularly in interventions in mother and child health, reproductive health, nutrition and other areas. Also in health, UN Agencies are discussing ways to converge efforts and resources to fight HIV/AIDS in Bhutan, where the disease is believed to be in the early stage of epidemic. UN Agencies are additionally working to alleviate the problem of mounting pressures on Bhutan's largely intact natural environment. Finally, in recovery and peace building the UN System has facilitated UNHCR efforts in the longstanding issue between Bhutan and Nepal over tens of thousands of people in refugee camps in the latter country.

IV. Rationale

The first United Nations Development Assistance Framework (UNDAF) for Bhutan is the planning framework for development assistance of the UN System to the Royal Government of Bhutan during the Ninth Five Year Plan (2002 – 2007). Consisting of common objectives and strategies, a programme resource framework, and proposals for follow-up, monitoring and evaluation, the UNDAF lays the foundation for co-operation among the UN System, the Royal Government and other development partners. As such, it intends to enable the UN System "to achieve goal-oriented collaboration, programmatic coherence and mutual

reinforcement,” called for by UN Secretary-General Kofi Annan and endorsed by the General Assembly in Resolution 53/192. The UNDAF is thus the centrepiece of the UN reform at the country level.

Co-ordinated action will enable the UN to help address the needs of the Bhutanese people more holistically, strategically and effectively. A holistic response to Bhutan’s development needs is particularly essential given the Kingdom’s broad vision of Gross National Happiness, which views human happiness as the overall goal of all development efforts and recognises the importance of balancing economic and non-economic concerns to achieve this goal. As elaborated above, the UN System thoroughly subscribes to Gross National Happiness and sees the UNDAF as a tool to better contribute to this unique vision.

Intensified collaboration among the UN Agencies will lead to the improved sharing of institutional knowledge and the complementing of resource allocations, thus likely resulting in better decision-making, synergy of action, and reduced duplication and fragmentation of efforts. The consequence will be the more efficient and relevant use of resources, translating into better service for the Royal Government and the Bhutanese people alike.

The UNDAF not only provides the framework for future collaboration, it also is the result of a participatory, dynamic and continuous process that ensures learning from past performance and merges Government and UN System knowledge. Most importantly, it builds upon the findings of the Common Country Assessment (CCA), which enabled the UN System to move toward a common understanding of Bhutan’s key development achievements and challenges. Based on the findings of the CCA, detailed under the subsection *Human Development Challenges* above, and on the mandates, experience and comparative advantages of UN Agencies in Bhutan, the UN Country Team has identified three areas of development in which the UN System should concentrate its efforts during the UNDAF cycle.

The UN System is uniquely placed to address, in a comprehensive, coherent and cost-effective manner, the various determinants and facets of human development in Bhutan. Drawing from its experiences in community and institutional development at the national level, the UN System can enhance its valuable role in supporting the development of appropriate policies at the *dzongkhag* (district) and *geog* (block) levels as well as strengthen the capacities of national institutions at these levels to implement such policies. Indeed, both the Royal Government and the donor community have recognised the positive role played thus far by the UN System in Bhutan in its areas of concentration, with the overarching aim of alleviating human poverty.

It also should be noted that the financial presence of the UN System in the Kingdom is relatively significant. In 1999, some 16 percent of Official Development Assistance (ODA), or 8 percent of the Royal Government’s total revenue (3 percent of GDP – more than thrice the average for developing countries, which is 0.9 percent) – originated from resident UN Agencies, supporting the Government in areas such as good governance, sustainable livelihoods, health, education, population development and environment. In addition, non-resident UN organizations such as the International Fund for Agricultural Development (IFAD), Bretton Woods Institutions (World Bank) and regional development banks (Asian Development Bank) critically contribute to the country’s development process.

Beyond financial resources, the UN System’s contribution should be measured in terms of access to global knowledge and collaboration to promote new ideas. Viewed from this perspective, the question of relevance, efficiency and effectiveness of UN System intervention is of major concern to the Royal Government. Through its partnership with the Royal Government, the United Nations can further contribute significantly to human development in Bhutan by playing a catalytic role in mobilising the energies and resources of

all development actors, including the most vulnerable groups and individuals themselves. As the main tool to facilitate collaboration and enable synergies, the UNDAF is bound to maximise the impact of the UN System in Bhutan.

V. Overall Goal and Objective of the UNDAF

The strategic planning document “Bhutan 2020: A Vision for Peace, Prosperity and Happiness” and the Five Year Plans of the Royal Government, as well as the United Nations System mandates and priorities, provide the overall framework for the goals, objectives and areas of co-operation of the UN System in Bhutan.

Here as elsewhere, the UN System works at two levels, normative and operational: The first includes the establishment of norms and values, or a minimum standard, while the second consists of the operationalisation of those norms and standards through monitoring and supporting national and local efforts to attain the standards.

The single overarching goal of the United Nations System in Bhutan is to achieve **growth with equity for Gross National Happiness**, Bhutan’s holistic and people-centred vision of development. This is consistent with national priorities as detailed in the Ninth Five Year Plan (2002-2007), as well as with Bhutan’s global commitments.

“Growth with equity” is understood in the broader context of human development rather than in the narrow economic sense – in other words, as expansion of choices to contribute meaningfully to the multifaceted concept of GNH. Because the capacity of making choices for oneself is an important part of human happiness, so is the absence of choices because of lack of income, education, health or participation in decision-making contradictory to GNH. Indeed, this is what the concept of human poverty is about.

Within this, the overall, long-term objective to which UN System activities are expected to contribute is the **reduction of human poverty in Bhutan, incorporating a focus on good governance and social services delivery through sustainable livelihoods**. Operating within the context of the Royal Government’s vision for accomplishing its national poverty goals by the year 2020, the UN System is **committed to halving poverty in Bhutan by 2015**.

In support of the Royal Government, three specific, cross-cutting objectives that provide a common orientation and framework and that the UN System can collectively address are identified in the following section, including: **(1) Measurable progress toward decentralisation, participation and efficiency in Government; (2) universal access to quality social services; and (3) improved livelihoods for the disadvantaged**. These are aimed not only at improving the programmatic efficiency of the UN Agencies but also at contributing strategically and significantly to Bhutan’s overall development process.

While these strategic objectives are not meant to be entirely inclusive of all UN interventions, they do represent the UN System’s explicit common response in pursuit of the overall goal of growth with equity for Gross National Happiness and the objective of reducing human poverty in Bhutan.

A conceptual framework for the UN System’s focus in Bhutan follows and shows in detail how all UN intervention areas, based on Agency comparative advantages, organisational mandates and past co-operation with the Royal Government, fall within this matrix of goals and objectives:

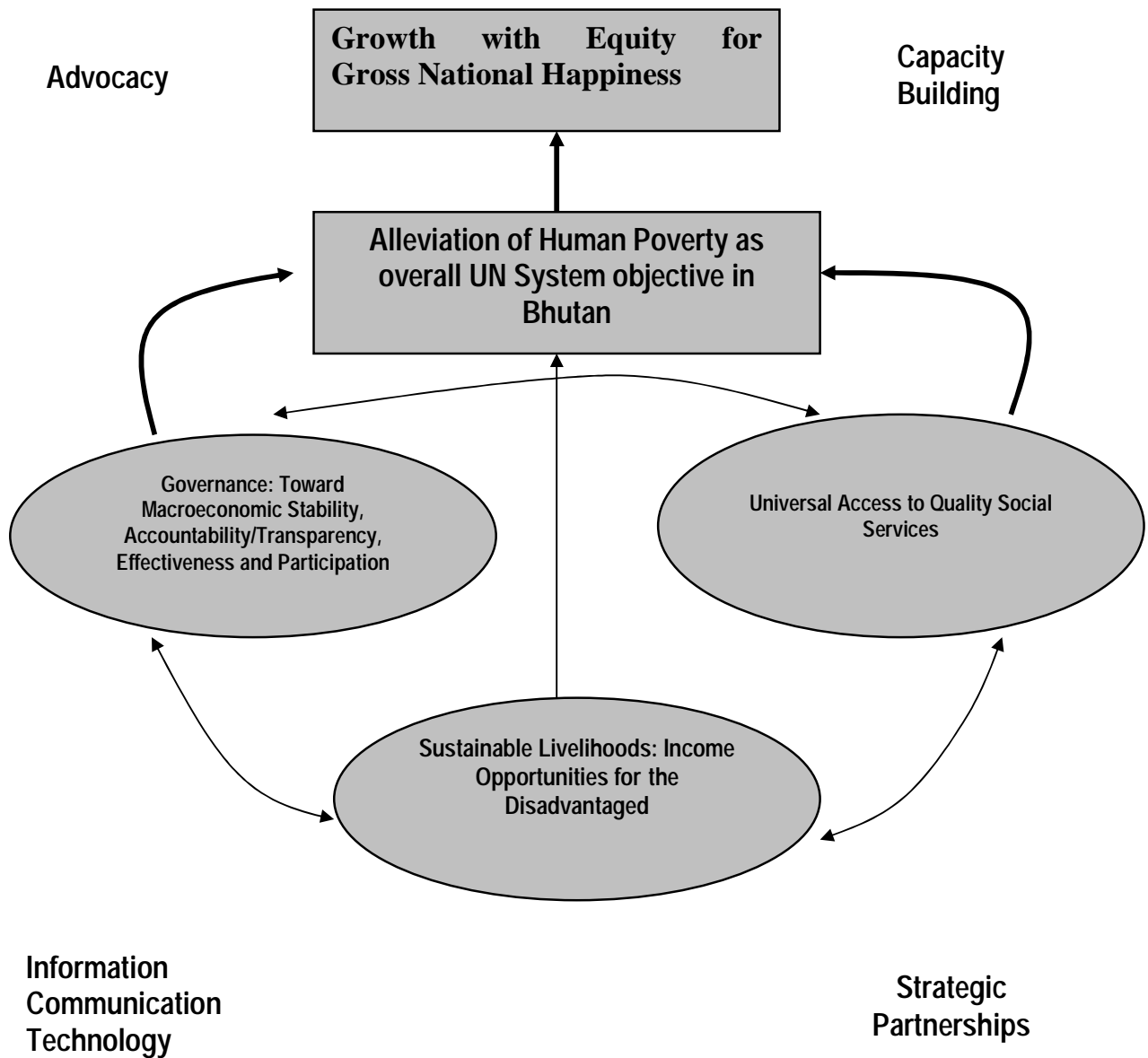


Table 1 (after Section 6.e) elaborates how progress toward these strategic objectives will be achieved and monitored through specific indicators. At the same time, the National Human Development Report offers itself as the tool to report on progress.

VI. Areas for Collaborative Action

While each UN Agency has a distinct mandate, some elements complement one another so effectively that the principals make natural partners in the UNDAF process. A prime example is the area of education, where several Agencies and other development partners are providing assistance to the education sector, focused on the UNICEF programme toward improving the quality of basic education. At the same time, WFP continues to offer food assistance to schools nationwide, and the World Bank is investing in the infrastructure. UNESCO is expanding its education interventions, particularly in traditional institutions, and UNDP is looking at youth employment strategies, while UNICEF itself provides an advantage from its global information and regional experiences. A major task will be to influence education policies and assess what children are learning in schools and what improvements are required, such as in teacher training.

The approaches taken by various Agencies thus incorporate the roots of collaboration. All believe capacity building through technical co-operation to be essential. All want to assist local governments in achieving improved implementation capacities. UN Country Team choices of strategic and priority areas for UNDAF collaboration therefore blend with Royal Government-UN System agreements on development co-operation. As noted in Section V, extensive discussions have led to the identification of three immediate areas for collaborative action in order to realise the objectives of this UNDAF:

Measurable Progress Toward Decentralisation, Participation and Efficiency in Government

Universal Access to Quality Social Services

Improved Livelihoods for the Disadvantaged

In each of the areas for collaborative action, UN System co-operation will be at three levels:

- Providing advisory support to the Royal Government for policy development
- Strengthening capacity development of institutions at central, district and local levels, with concrete demonstration and pilot activities
- Information sharing and awareness raising on international policies and practices as well as advocacy relating to follow-up to international conferences

Already, several UN organisations pursue similar goals and use similar methods, often in the same geographic area. Taking into account indications that eastern and southern districts are most vulnerable in terms of poverty, gender issues and nutritional status, UN System efforts may focus initially on the six easternmost *dzongkhags* (districts), security conditions permitting. At the same time, UN programmes will be continued and expanded at the national level.

As part of all its efforts, the UN System will promote human rights within the Bhutanese context of Gross National Happiness so that all people of Bhutan can live in dignity, security, stability and equity. Environmentally sustainable development also will be promoted in all sectors, so that Bhutan's rich biological diversity will not be compromised, nor the ability of future generations to meet their own needs.

Under this UNDAF, the following sets of actions thus are envisaged:

6.a Measurable Progress Toward Decentralisation, Participation and Efficiency in Government

The UN System supports national capacity building efforts at various levels of Government and civil society as well as the continued high sense of national ownership of development activities. Processes that involve capacity building for *dzongkhag* (district) and *geog* (block) levels and that identify and target the poor, elicit their feedback and disseminate information on resource management and performance will have a positive impact on the quality and standards of life at the periphery, reducing hardship and contributing to poverty alleviation and prevention. The UN System will support the mapping of existing capacity to highlight critical gaps, taking exist gender gaps into account, especially with regard to access to basic services and representation in decision making bodies. Overall, access to more comprehensive baseline information and data on the development situation at various levels is essential for planning and preparation of interventions as well as selection of focus areas.

One of the most challenging tasks for collaboration between the UN System and the Royal Government is that of moving toward a civil service where there is clear linkage between performance and promotion, keeping in mind that the grade incentive given to some cadres has led to discrepancies and stagnation. With regard to effectiveness in the public sector, the Royal Government's policy of "Promoting Efficiency, Transparency and Accountability" includes, among others, significant sections on enhancing morale and professionalism in the civil service, as well as promoting civil servants' integrity.

In the context of decentralisation, participation and efficiency in Government, the main UN System areas of collaboration will include:

- Promotion of people's participation in the planning process and capacity building of institutions and individuals alike, particularly among women and at the *dzongkhag* and *geog* levels
- Promotion of collection, analysis and dissemination of improved baseline information and data on the development situation in Bhutan at the national, *dzongkhag* and *geog* levels
- Promotion of a performance-oriented civil service

In all of the above, the UN System will enhance increased active public participation and partnerships, paying particular attention to the social dimensions of decentralisation.

6.b Universal Access to Quality Social Services

As part of the rights agenda promoted by the United Nations, and especially related to women's and children's rights as subscribed to by the Royal Government, universal access to quality social services is a major concern and promotion of equity an underlying assumption. Quality has sometimes suffered to achieve universal access, however, and efforts are being taken to correct this during the next Country Programme cycles of concerned Agencies.

Although access to modern education is equal for both girls and boys, and enrolment of girls is rising steadily, gender gaps remain, particularly at the high school level. Unreached pockets of the population also exist; many children live too far from schools. In health, areas needing urgent attention include reproductive health, particularly HIV/AIDS, which is beginning to emerge as a serious problem; continued reduction of infant, under-5 and maternal morbidity and mortality; and reduction of micronutrient deficiencies, which are prevalent.

Within the context of the UNDAF, the main UN System areas of collaboration under this objective will include:

- Expansion and improvement in quality basic education services

- Enhancement of individual capabilities, particularly in disadvantaged households, through education and training
- Promotion of balanced social and population development at all levels of society, targeting women, children and youth
- Promotion of raised levels of nutrition, including increasing food production and food security as well as highlighting food quality control
- Promotion of HIV/AIDS awareness and prevention, particularly among adolescents, youth and commercial sex workers

6.c Improved Livelihoods for the Disadvantaged

Despite Bhutan's impressive development achievements, entrenchment of human poverty is found in the form of food insecurity, limited size of land holdings and lack of access to infrastructure, as well as regional differences in access to social services. No official definition of poverty exists, nor does an official national poverty line. Nonetheless, as stated above, the UN System in Bhutan will work to support the Royal Government in efforts to halve the number of poor by the year 2015, a goal reaffirmed in the Millennium Declaration.

Generally poverty in the Kingdom is linked to a lack of access/infrastructure, especially roads: The more remote a village, the poorer it usually is. As a result, it appears that a major priority in the Ninth Five Year Plan will be the provision of access to remote areas. From a broader viewpoint, infrastructure and equality include Information and Communication Technology (ICT), and access to information is a major infrastructure component where the UN can play a key role. To allow scarce UN resources to be well-targeted on the most disadvantaged will require additional data to be gathered and analysed.

Major UN System areas of collaboration will thus include:

- Creation of interactive, *dzongkhag*-level development centres such as agricultural co-operatives to promote sustainable livelihoods, including adoption of emergent technologies and efficient management options
- Support to *geog*-level infrastructure development in order to help the disadvantaged create and preserve assets
- Support to generate a composite database to provide a comprehensive picture of vulnerability in Bhutan
- Improvement in access to information and knowledge, particularly through Information Technology, for sustainable rural development

6.d Sub-Objectives Toward Achievement of Immediate Objectives

In Table 1, specific indicators for progress toward the three immediate objectives during the UNDAF period 2002-2007 are shown. Table 2 illustrates the relationship between and among the three objectives, their sub-objectives, and the key areas of collaboration. A brief narrative summary follows:

Measurable Progress Toward Decentralisation, Participation and Efficiency in Government

The sub-objective of this objective will be to support the development and implementation of pro-poor policies. The Ninth Five Year Plan is the first to be *geog*-based, and therefore its success will, to a large extent, hinge upon the ability of the *Geog Yargye Tshogchung* (GYT, or Block Development Committees) to plan, manage and administer their own development programmes. Disaggregated by *dzongkhag/geog*, indicators will include:

- Number of *dzongkhags* and *geogs* included in capacity building plan
- Number of legal, policy and institutional frameworks developed
- Number of *geogs* included in GDFa modality
- Number of well-equipped *gup* (village head) offices established in *geogs*

- Number of households directly benefiting from GDFA projects

Universal Access to Quality Social Services

Improving the reach, quality, efficiency and sustainability of basic social services, particularly for the most vulnerable groups, will be the sub-objective. Since the initiation of the First Five Year Plan in 1961, Bhutan already recorded many achievements in this area as part of its overall commitment to human development and Gross National Happiness. These positive developments will be built upon through the following indicators:

- Universal enrolment achieved at the primary school level
- Universal immunisation rate
- Percentage of population with access to primary health care coverage
- Infant mortality rate reduced to average for all developing countries
- Maternal mortality rate reduced to average for all developing countries
- Under-5 mortality rate reduced to average for all developing countries
- Population growth rate reduced to 1.63% per annum
- Percentage of population using contraceptives
- Percentage of literate adults, particularly women
- 90% of rural population provided with potable water supplies and safe sanitation
- Average doctor/population ratio for all developing countries achieved

Improved Livelihoods for the Disadvantaged

The majority of Bhutanese have benefited in very tangible ways from the process of social and economic development, although the benefits have not been shared equally. This may be an inevitable consequence of modernisation in a country where the population remains so scattered, the terrain so severe and the infrastructure still incomplete. Creating interactive and community-based development centres, such as agricultural co-operatives, at the *dzongkhag* level may be essential to promote self-reliance and reach out to the disadvantaged. Clearly, developing human resources and providing economic diversification are imperative to sustain the overall process of development in Bhutan. The sub-objective will be to expand choices for the poor through income generation and enhanced access to knowledge/infrastructure, with the following indicators:

- Per-capita income
- Poverty head count ratio (percentage of population below national [to be defined] poverty line)
- Gini curve (poorest-fifth share of income/expenditures)
- Volume of agricultural production per hectare of arable land
- Percentage of food-insecure
- Percentage of population living more than a half-day from motorable road
- Unemployment rate, particularly among youth
- Number of agricultural co-operatives established
- Percentage increase in value of horticultural exports

6.e Cross-Cutting Issues (Gender)

In Bhutan, it is perceived that there is no explicit gender discrimination. Women are accorded a dominant role in family and inheritance law, and a Royal Decree in 1998 emphasised women's participation at all levels of Government and society, calling for gender-neutral participation based on personal merit and achievement. Therefore, Bhutan has a positive starting point on gender issues compared to the rest of South Asia.

While it can be concluded that Bhutan displays gender neutrality, gender gaps nonetheless exist, particularly in education/literacy, employment and decision making and leadership. Thus, the focus needs to become stronger on maintaining and supporting the current system

while enhancing and expanding the choices of women. Regional variations in socio-cultural aspects require more study. In addition, there is a serious need for gender-disaggregated data to fully determine women's status in the development process.

The UN System also will explore with the Royal Government:

- Creation of the necessary time for rural women to deviate from traditional occupations, especially through the adoption of mechanisation, in order to enhance individual development as well as income opportunities;
- Promotion of gender-disaggregated data in particular, within the overall context of strengthened data collection, analysis and dissemination in all sectors
- Leadership training for women, both in rural and urban areas

Table 1		
Development Objective: Reduce Human Poverty in Bhutan by Half by 2015		
Immediate Objectives for UNDAF until 2007	Indicators	Key UN Actors
<p>1. <u>Measurable Progress Toward Good Governance</u></p>	<ul style="list-style-type: none"> • Number of <i>dzongkhags</i> and <i>geogs</i> included in capacity building plan • Number of legal, policy and institutional frameworks developed • Number of <i>geogs</i> included in GDFA modality • Number of well-equipped <i>gup</i> (village head) offices established in <i>geogs</i> • Number of households directly benefited from GDFA projects 	<p>UNDP:</p> <ul style="list-style-type: none"> • Capacity building • Decentralisation/Participation • Institutional strengthening <p>UNCDF:</p> <ul style="list-style-type: none"> • Decentralisation • Local governance <p>UNFPA:</p> <ul style="list-style-type: none"> • Population strategies <p>UNICEF:</p> <ul style="list-style-type: none"> • Policy formulation • Participation <p>WFP:</p> <ul style="list-style-type: none"> • Community empowerment <p>World Bank:</p> <ul style="list-style-type: none"> • Macroeconomic stability
<p>2. <u>Universal Access to Quality Social Services</u></p>	<ul style="list-style-type: none"> • Universal enrolment achieved at the primary school level • Universal immunisation rate • Percentage of population with access to primary health care coverage • Infant mortality rate/ under-5 mortality rate/ maternal mortality rates reduced to average for all developing countries • Population growth rate reduced to 1.63% per annum • Percentage of population using contraceptives • Percentage of literate adults, particularly women • 90% of rural population provided with potable water supplies and safe sanitation • Average doctor/population ratio for all developing countries achieved 	<p>UNFPA:</p> <ul style="list-style-type: none"> • Reproductive health <p>UNICEF:</p> <ul style="list-style-type: none"> • Health and nutrition • Water and sanitation • Education <p>WFP:</p> <ul style="list-style-type: none"> • Education • Nutrition <p>WHO:</p> <ul style="list-style-type: none"> • Health <p>World Bank:</p> <ul style="list-style-type: none"> • Education • Urban development

<p>3. <u>Improved Livelihoods for the Disadvantaged</u></p>	<ul style="list-style-type: none"> • Per-capita income • Poverty head count ratio (percentage of population below national [to be defined] poverty line) • Gini curve (poorest-fifth share of income/expenditures) • Number of agricultural co-operatives established • Volume of agricultural production per hectare of arable land • Percentage of food-insecure • Percentage of population living more than a half-day away from motorable road • Unemployment rate, particularly among youth • Percentage increase in value of horticultural exports 	<p>UNDP:</p> <ul style="list-style-type: none"> • Eco-sustainable livelihoods <p>UNCDF:</p> <ul style="list-style-type: none"> • Micro-finance • Rural access <p>WFP:</p> <ul style="list-style-type: none"> • Food security • Rural access <p>World Bank:</p> <ul style="list-style-type: none"> • Rural access • Forestry <p>FAO:</p> <ul style="list-style-type: none"> • Food security <p>UNICEF: Religion and social development</p>
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(insert Table 2 – see attached file)

VII. Co-operation Strategies

For the UN System, globalisation and the tremendous increase in the world's need for humanitarian and relief assistance have led to a changing public opinion on the role of the United Nations and a decrease in the financial support for the UN's long-term development work. This brings the traditional modes of development co-operation into question. The principal line emerging from these changes is a need for the UN System at the country level to reorient itself toward a more coherent set of activities aimed at maintaining or building capacity for international and national co-operation and policy dialogue between the UN System and its development partners.

7.a Strategic Partnerships and Policy Dialogue

In an effort to build the foundation for future partnerships, the UN System in Bhutan will apply strategic policy dialogue as a first step toward building more collaborative partnerships between the UN System and institutions, organisations and donors working in the country. By so doing, the UN System thus will move closer toward true and lasting partnership arrangements with those donors where there is a firm basis of common interest.

Primarily, the UN System will primarily rely on a network approach, where it will seek to broaden and diversify its contacts and linkages beyond the traditional actors in development co-operation. It will forge stronger links with the private sector as well as civil society at both programme and policy levels. This means a focus on facilitating and participating in regional and global networks that can serve as information exchanges and platforms for debate on development policies, with the aim of linking expertise and developing solutions jointly with other development partners.

At the same time, on grounds of efficiency and effectiveness it is not only necessary, but also desirable, to take the partnership concept to a new level of concrete co-operation, including joint programming and implementation. To facilitate the development of such partnerships, the UN System will also apply an inclusive and participatory approach to the development and design of new activities that will allow for more concrete, implementation-oriented partnership agreements.

7.b Knowledge Networking and Information Sharing/Communication

The UN System will provide policy-relevant information, lessons of experience and examples of innovative practices and policies and implementation aspects of the UN System's co-operation with the Royal Government and other development partners working in and outside Bhutan. In a particularly significant example, UNDP has been commissioned to provide major assistance to the Royal Government in the preparation of the Ninth Five Year Plan. In addition, inter-Agency Theme Groups will be crucial for knowledge networking with regard to certain focal areas.

Under the leadership and co-ordination of the Resident Co-ordinator, the UN System also will facilitate communication, interactions and consultations among different actors involved in development work in Bhutan, particularly through the application of Information Technology (IT). A joint UN System data reference library, containing all regular national statistical, policy and analytical publications as well as official studies and surveys, will be established in the UN House to improve the access to data and the knowledge base.

The UN System will stimulate and undertake joint data collection and research on key policy issues, and through co-operation and capacity building in information and communication activities it will help to strengthen the capacity of Bhutanese institutions to design and manage appropriate and sustainable development policies.

7.c Capacity Building and Institutional Development

Institutional capacity issues are moving rapidly to the forefront of the development agenda in Bhutan because of formation of more pluralistic and participatory governance structures and policy processes, with increasing responsibilities being transferred from the centre to lower *dzongkhags* (districts) and *geogs* (blocks). The role of the UN System in strengthening new as well as old institutions is thus becoming a primary objective and a necessary condition for sustainable development.

The capacity and institutional development approach adopted by the UN System in Bhutan is a systematic approach of continuous learning and adaptation that aims at improving the abilities and capacities of Bhutanese society to make effective use of available human and financial resources and achieve the goal of Gross National Happiness.

Clearly, the UN System has a particular role to play in supporting Bhutan's participation in regional and international networks of expertise on international co-operation and institutional reform, as well as the development of national networks. In addition, the UN System also will focus on a limited number of areas of capacity and institutional development where it can show added value. In particular, efforts will be made to ensure that each set of core activities or programmes at the Agency level will be clearly linked to the objectives set out in the UNDAF and that they will produce clearly identifiable results.

7.d Advocacy

The work and results of the UN System in Bhutan carry important messages of human values that need to be promoted as often as possible and appropriate. To make advocacy more

effective, the UN System has applied a multi-faced strategy of radio programmes, written advocacy materials, open UN development forums, UN participation in national and local forums of debate, and active flagging of global UN events and summits. In addition, the UN System will also embark on a more active use of its website and the production of short but effective videos of the United Nations' work in Bhutan.

VIII. Programme Resources Framework

(Section to come)

IX. Implementation, Monitoring and Evaluation

9.a Internal Reviews

For implementation of the UNDAF process, key players will be the Resident Co-ordinator and the UN Country Team, comprised of Agency and programme heads. At the same time, to effectively monitor UNDAF and assess the collective impact of UN development co-operation at the country level, the UN System will further develop planning and strategic capacity support within the UN Resident Co-ordinator's Office. The Resident Co-ordinator's Office will maintain a joint list of all UN programmes and projects.

The Country Team should conduct semi-annual reviews of activities of each Theme Group within the context of inter-Agency consultative meetings; this process will provide an important mechanism for inter-Agency feedback and build linkages between Theme Groups and the UN Country Team's annual workplans. Needed programme, policy, administrative or financial changes should be discussed during these reviews. These decisions will emphasise the importance the UN Country Team attaches to the Theme Groups as strategic mechanisms for institutionalising UNDAF collaboration in practical ways.

Individual Agencies' country programme reviews will continue to be conducted at mid-term and end-term points, with participation of the Royal Government, development partners, and any civil society or private sector partners.

Monitoring visits to joint project/programme areas should be conducted by all UN organisations involved. Senior management also should encourage annual joint field visits to selected geographical areas to discuss the possibility of further collaborative activities.

An annual retreat or workshop involving relevant staff from all UN Agencies will be scheduled to assess implementation and determine lessons learned from the UNDAF process. For this retreat, a series of reports should be produced on what has worked in inter-Agency collaboration to produce a synergistic impact and what measures are needed to overcome constraints.

For reporting on the progress of UNDAF activities, the annual Resident Co-ordinator Report will function as the key mechanism. This report is already based on the analyses by the Resident Co-ordinator, together with the UN Country Team, of the previous year's activities,

achievements and challenges and of outputs resulting from country programmes and projects as well as Theme Group and other initiatives. It also articulates the subsequent year's workplan, including desired key results of the Resident Co-ordinator System.

While interacting through UNDAF, it nonetheless will be important to preserve each Agency's identity and autonomy, for example, by clearly identifying activities to be implemented by each Agency in a joint programme/project. Having said that, harmony, efficiency and effectiveness through teamwork that establishes common priorities and adds value to UN System efforts can have important results, including greater consistency in policy and technical advice and more effective use of resources. This, in turn, is likely to enhance the UN image among partners, strengthen resource mobilisation and improve advocacy.

9.b Joint Reviews

A joint UN/Royal Government of Bhutan strategic objective review of the implementation of UNDAF will be undertaken annually, increasing the UN System's accountability for improved collaborative performance. Such reviews, providing feedback and guidance, will ensure that UN efforts are focused on national priorities, that achievements and lessons learned are recognised and that emerging difficulties are addressed. This mechanism also will provide Royal Government partners the opportunity to participate in and offer input on UN System thematic development initiatives. Input from other development partners on the impact of UNDAF and its contribution toward meeting development objectives should be solicited in advance. Additionally, further thematic reviews should be encouraged to broaden common understanding among all stakeholders of the issues at hand.

9.c Common Services and Shared Premises

The already established Inter-Agency Operations and Administration Group will step up efforts to identify options for more common services and administrative support. In addition, the Group will ensure that joint training opportunities are included in the annual Resident Co-ordinator workplan where relevant and feasible.

X. Annexes

Annex 1: Summary of the UNDAF Preparation Process

The process of inter-Agency consultations within the UN System in Bhutan regarding the Secretary-General's programme of reform started in December 1999, at the initiative of the Resident Co-ordinator and UNICEF. In addition to the Nutrition Theme Group, which had existed for several years, others were formed, including Governance and Rights, HIV/AIDS, Youth and Employment and, later, IT. By the summer of 2000, a consensus existed on future directions for joint programming in the area of governance, and active consultation with the Royal Government was engaged for the CCA/UNDAF process. At that time, process consultations with the Royal Government during its preparation of background material for the Round Table Meeting with development partners in November 2000 served as important inputs for formulation of the CCA as well.

A CCA/UNDAF workshop, supported by UNDGO, was held in September with policy- and operational-level participation by Government officials, as well as management and staff

from all UN Agencies. The CCA document was prepared thereafter by an inter-Agency task force, and a “first edition” was made available for distribution at the Round Table Meeting. It was reviewed by the Department of Aid and Debt Management, in consultation with all line Ministries and concerned Government agencies; feedback from that exercise, as well as other donors, was incorporated in a “second edition” in the first half of 2001.

On the day the “first edition” CCA was finalised in October 2000, a preparatory UNDAF workshop was organised and an inter-Agency UNDAF task force established. The task force laid the groundwork for production of the first draft, including lively debates on concepts and substance that resulted in a preliminary UNDAF model. The Royal Government then requested the UN System to further formulate and share an initial draft, given the consensus on development needs already reached in the “second edition” CCA. As a follow-up, an expanded steering committee personally led by the Resident Co-ordinator worked to expand the preliminary model to clearly define areas of co-operation between UN Agencies, including the specification of implementation, monitoring and evaluation arrangements. This initial draft was then shared with the Royal Government and was refined and negotiated during a series of consultations.

Annex 2: Summary Matrix of UN Agency Programme Frameworks

(see attached file)

Annex 3: Lessons Learned from UN Development Co-operation

Processes

1. **Common Country Assessment.** An accepted document emerged with the participation of all UN Agencies and incorporating the comments of the Royal Government. However, the drafting of the CCA coincided with the preparations for the Round Table Meeting, which had full Government attention and commitment. This meant that other processes necessitating Government involvement took a back seat to the RTM processes. Other Agencies also were undergoing programme preparations that were parallel to UNDAF preparation and CCA drafting.
2. **Thematic Issues.** The formation of UN Theme groups has contributed much to the learning and commitment process for co-ordination on common objectives. Nutrition, Governance and Rights, IT, HIV/AIDS and Youth and Employment took off, resulting in common commitment for joint programming in this regard. However, the process, objectives, membership, chairpersonship and direction need to be revisited as there were problems related to sustainability, Royal Government roles and other members outside the United Nations. Moreover, to advance beyond information sharing, commitment of resources is necessary for effective joint programming and sustained interest. Government needs to be involved from the start of the process in order to ensure support of initiatives. Other donors should also be invited in if the theme is part of their mandates.
3. **UNDAF.** An excellent start to rationalising resources, both human and financial, and efforts toward the same development goal among UN Agencies. Alleviating poverty, for example, is a goal common to all. UN activities can be rationalised as separate but synergistic pathways toward poverty reduction and the UNDAF could clearly bring Agencies together; although there is inevitable tension between the product and the

process, eventually the UNDAF exercise will be an asset to UN reform process and the UN System image in the country.

4. **UN Common Premises.** Part of rationalising resources, common premises for most UN Agencies present in the country have contributed most to improving communications, co-ordination and collaboration. Still needed is harmonisation of procedures and rules, especially in the areas of personnel and recruitment. Major policy procedures such as the National Execution (NEX) modality are decided at the headquarters level and can lead to confusion among Royal Government counterparts.

Programmes

5. **Decentralisation, Participation and Efficiency in Government.** UNDP and UNCDF are addressing the issue from a general governance perspective, while UNICEF, WFP, UNFPA and WHO are involved in service delivery and surrounding aspects related to health and education. Both approaches support each other. Plans for joint programming by the UN System to target disadvantaged areas will improve efficiency, promoting equity and quality. Using the Millennium Declaration goals, other summit goals and human rights conventions ratified by the Royal Government would be a strong basis for common efforts towards measuring goals achieved by the Government. As of now, a common donor database is being promoted by UNDP, which encourages more information sharing and discourages duplication of efforts.
6. **Universal Access to Quality Social Services.** UNICEF, WHO and UNFPA collaborate to enhance outreach and quality of health services; similarly, UNICEF and WFP, in collaboration with the World Bank and Swiss Development Co-operation/Helvetas, collaborate in enhancing outreach and quality of education. Co-operation in decentralisation, participation and efficiency of government contributes to promote both access and quality, and strengthening of the database will help better targeting of more needy or vulnerable areas to enhance access towards universality.
7. **Improved Livelihoods for the Disadvantaged.** Again, a better information base – by gender, age, region and, if possible, ethnic background – and consequent targeting of the poorest would help in this regard. Better communications, particularly roads and provision of infrastructure with WFP, UNCDF and World Bank involvement, is a major element in improving chances for access to markets as well as private sector development and diversification of agriculture, currently focused on by UNDP and World Bank. Pilot efforts initiated by UNICEF in poor areas in the central district of Trongsa also could pave the way for expansion in the future.
8. **Crosscutting Issues.** *Gender:* A joint UN study on gender was completed as the first UNDAF draft was formulated in spring 2001, although no blatant problems were acknowledged. The next step is to ensure mainstreaming of gender efforts within all programmes of UN Agencies. *IT:* UNDP plays the major role in promoting IT, and other UN agencies support IT in their own areas of concern. WHO continues to support telematics, or using IT to access the latest global diagnostic tools and expertise, and to feed the information back to users in Bhutan, enhancing knowledge and improving health. *HIV/AIDS Control:* WHO, UNFPA and UNICEF are primarily involved in efforts related to HIV/AIDS control in comparative areas of strengths. Financing for major activities is assured by the Liaison Office of Denmark and the World Bank, and co-ordination of efforts is ensured by the Royal Government.

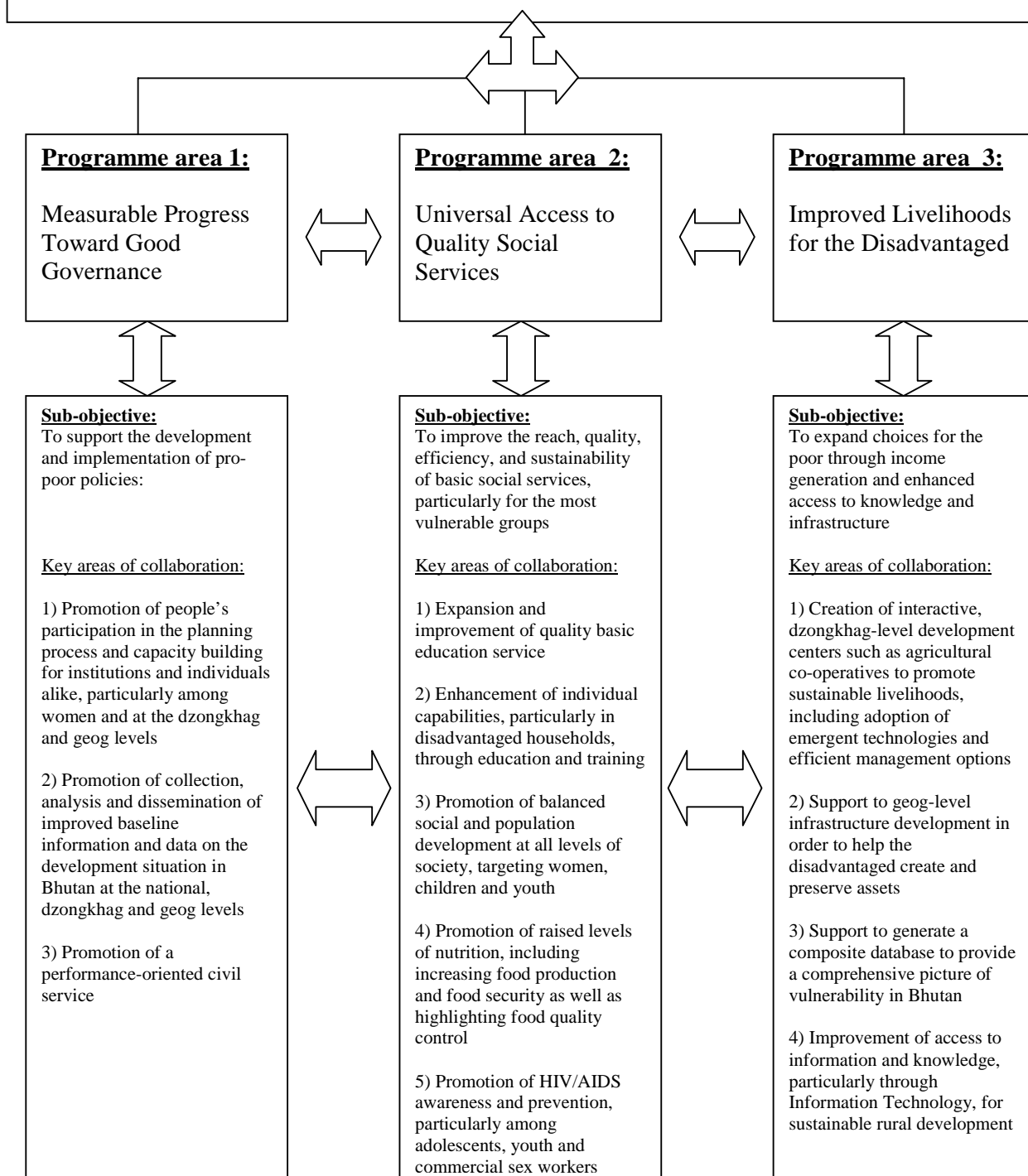
Annex 4: Updated Common Country Assessment Indicators

(see attached file)

Table 2: Illustrative Model for UNDAF Collaboration

UN System Development Objective:

To halve human poverty in Bhutan by 2015



UNDAF INDICATORS

1) Population and Development

1.1) Demographic status

	1984	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Population								0.600			0.658	
Population growth rate (%)	2.6					3.1					3.1	

1.2) Fertility

Crude birth rate *	39.1					39.9					39.9	
General fertility rate (per 1000 women, 15-49 yrs) *	169.6					172.7						
Total fertility rate (per women of 15-49 yrs) *	5.9					5.6						

1.3) Mortality

Crude death rate*	19.3					9						
Infant mortality rate *	142					70.7						
Maternal mortality rate (per 1000 live births) *						3.8						
under age 5 mortality rate (per 1000 live births) *						96.9						

1.4) Life expectancy at birth (years)

	47.5					66.1						
Males	45.8					66.0						
Females	49.1					66.2						

Source: Statistical Yearbook of Bhutan, 1998, CSO, May 2001

1.5) Family Planning Acceptors by type of method

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Vasectomy	1120	685	231	714	2043	1263	1930	806	4451	6835	
Minilap	301	177	68	172	355			74	478	1374	
Intra uterine device (IUD)	987	986	637	687	930	759	1602	1582	1977	2549	
Pills	5675	7721	9572	9936	7496	8794	8917	6483	7104	3697	
Condoms	2049	6777	7529	6568	4877	5635	7411	6309	7599	11310	
Injection DMPA	50	453	6448	6662	7748	9278	12065	12024	15746	15184	
Total number of acceptors	10182	16799	24485	24739	23449	25729	31925	27278	37355	40949	

Source: Statistical Yearbook of Bhutan, 1998, CSO, May 2001

Note : Crude birth rate : number of live births in a year per thousand population. General fertility rate : Number of live births in a year per thousand women in the child bearing age (15 to 44 or 49). Total fertility rate : average number of children born by women during their reproductive span of life.

Crude death rate : number of deaths in a year per thousand population. Infant mortality rate : number of deaths during first year of life per thousand live births. Maternal mortality rate : annual number of deaths of women during pregnancy related causes, per 100 live births.

2) Economy

2.1) Official Development Assistance in relation to the RGOB Budget (in million Ngultrums)

	Approved		Revised	Approved (%)		Revised (%)
	98/99	99/00	98/99	98/99	99/00	
1 Domestic Revenue	3094	3870	3500	42.4	47	46.7
2 Grants						
2.1 GOI Program Grant	800	800	800	11	9.8	10.7
2.2 GOI Project grant	1471	1430	1292	20.2	17.4	17.3
2.3 Grants from other sources	1479	1386	1484	20.3	16.9	19.8
3 Borrowings	451	436	414	6.2	5.3	5.5
4 Resource Gap	0	297			3.6	
Total	7295	8219	7490	100.1	100	100

Source: Kuensel (July 3-9, 1999), National Assembly Supplement

2.2) Outlays of Development Plans, First Plan to Eight Plan (in million Ngultrums)

	1 FYP	2 FYP	3 FYP	4 FYP	5 FYP	6 FYP	7 FYP	8 FYP
	Actual	Actual	Actual	Actual	Revised	Revised	Budget	Budget
Total Outlay	107.2	202.2	475.2	1106	4512.8	9061.7	15591	30151

Source: Statistical Yearbook of Bhutan, 1998, CSO, May 2001

2.3) Relations among National Accounting Aggregates (in million Ngultrums)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	est 2000
Gross Domestic Product (GDP) at market prices	4983	5502	6354	7193	8501	9968	11714	14475	16473	18810	
Growth rate of GDP in percentage	12.5	10.2	15.6	13.4	16.3	17.9	18.1	23	14	14.3	13.6
Consumer Price Index in percentage change	9.4	13.3	16	8.9	8.1	10.7	8.3	5.7	12.1	4.5	
GDP Deflator in percentage	5.6	6.5	10.7	6.9	9.3	9.7	11.4	14.7	8.1	7.9	7.12
Total Consumption	3634	4169	4977	4760	5005	5588	7713	10789	12503	14606	
Private Consumption (percentage share of GDP)	57.2	57.3	59.2	48.9	40.2	32	44.5	49.3	55.2	53.4	
RGOB Consumption (percentage share of GDP)	15.7	18.5	19.1	17.3	18.6	24.1	21.4	25.2	19.3	19.7	
Net Saving	1128	999	726	1709	2931	3267	2668	3056	623	-435	
Gross Domestic Saving	1258.2	1145.8	987.2	2058.2	3265.1	3585.1	3130.9	3215.9	2338.5	2213.3	
RGOB Saving (current prices)	237	-29.4	277.8	326.6	100.3	-390	-212.3	-615.2	301.9	-69.5	
Private Saving (current prices)	1022	1175	700.4	1732	3165	3976	3343	3871	2036.6	2282.8	
Net Capital Inflow	291	640	1953	1272	1072	1272	2012	1788	4349	6446	
Net Export of Goods and Services (current prices)	-201	-452.9	-1555	-898.4	-840.8	-477.7	-1141	-1357	-2613	-3552.1	
Total Government revenue **	956.5	993.8	985.7	1394	1574	1682	1931	2417	3039	3555	

Foreign assets (net)*	1488	2480	1883	2811	4429	6580	7342	10840
Domestic credit*	143.1	83.8	1149	1028	969.2	549.3	1945	411
Liquidity - Broad Money (M2)*	1079	1398	1587	1953	3258	3564	5652	6578
Money Supply - Narrow Money (M1)*	539.6	749.7	840.9	833.1	1331.5	2098	2197	2792
Currency outside banks*	194.1	246	345	346	432.4	422.5	720.9	768.8
Demand deposits*	345.4	503.7	495.9	487.1	889.9	1652	1447	1860
Quasi Money*	539.3	648.2	746.1	1120	1926	1466	3456	3786

Source: National Accounts Statistics, Report 1980-2000, Central Statistical Organization, May 2001

* Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001 (Revised data, excluding rupees in circulation)

** Note: 1) The figures represent the last calendar year of the fiscal year, i.e. the fiscal year 1997/98 is reflected as 1998;

2) For the years prior to 1998 the source is the Statistical Yearbook of Bhutan, 1998, CSO; and for the years 1998 and 1999 the source is the National Revenue Report, 1998-1999, Ministry of Finance

2.4) Sectoral percentage share to GDP in current prices

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	est
Agriculture, livestock, forestry and fishing	42.7	42.7	39.4	39.6	41.3	39.6	39.3	36.4	35.3	33.6	32.3	
Mining and quarrying	0.9	1.7	1.6	1.4	2.1	2	2.3	2.1	1.6	1.7	1.7	
Manufacturing	8.1	9.3	10.4	10.6	10.5	11.1	12.1	11	10.6	10.3	9.9	
Electricity and gas	7.8	7.1	7.1	7.9	6.9	10.8	9.5	11.9	11.8	12.5	12.6	
Construction	8.1	6.7	9.5	8.7	9.5	9.5	9	10.1	10.3	11.3	12.1	
Wholesale & retail trade, restaurants and hotels	6.6	7.1	7.7	7.8	7.8	7.4	7.8	7	7.1	7	7	
Transport, storage and communications	7.1	7.4	7.5	8.3	7.7	7	7.4	7.1	8.4	9.1	10.1	
Financing, insurance and real estate	7.7	7.6	7	6.5	5.6	5.1	3.8	5	6.1	5.7	6.1	
Community, social and services (Government)	11	10.5	9.7	9.1	8.5	8.8	8.8	9.4	8.8	8.8	8.2	
Total	100	100	100	100	100	100	100	100	100	100	100	

Source: National Accounts Statistics, Report 1980-2000, Central Statistical Organization, May, 2001.

2.5) Sector-wise rate of growth over the preceeding years in current prices

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	est
Agriculture, livestock, forestry and fishing	8.9	10	6.7	13.9	22.3	13.7	16.4	16.3	9.7	8.9	11.6	
Mining and quarrying	7.2	100.9	9.8	3.6	68.5	12	39.7	14.4	-15	24.2	7.9	
Manufacturing	31.1	25.9	29.6	16.2	16.3	24.4	28	14	9.7	10.2	9	
Electricity and gas	-1.6	-0.1	15.8	26	2.4	84.4	4.1	57	12	20.6	15	
Construction	9.1	-9.8	65.4	3.6	27.6	18.2	11.7	41	15	26.2	20.6	
Wholesale & retail trade, restaurants and hotels	13.9	19.1	25.3	14.9	17.4	12.9	23.7	12.3	14.3	13.7	13.4	
Transport, storage and communications	47.2	14.9	18.2	24.7	8.6	7.8	24.5	19.5	33.9	24.1	25.8	
Financing, insurance and real estate	23.2	8.3	7.2	4.3	2.3	7.4	-12.1	65	37.7	6.5	22.1	
Community, social and services (Government)	2.9	4.4	7.9	5.9	9.9	6	34.9	34.4	5.4	15.1	5	
Less: Imputed bank service charges	-12.8	-11.3	31.5	-0.1	117.9	55.9	-12.1	159.6	-13	22	3	
GDP	12.5	10.2	15.6	13.4	16.3	17.9	18.1	23	14	14.3	14.2	

Source: National Accounts Statistics, Report 1980-2000, Central Statistical Organization, May 2001

3) Equity, Poverty Reduction and Social Welfare

3.1) Income Poverty *

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
% farm households owning <1 hectare									58		
% farm households owning <2 hectares									27		
BDRC Rural credit loans borrowers (numbers)											10480

3.2) Unemployment

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Unemployment rate (%)											1.4
Total population surveyed in Thimphu									40780		
% employed									33		
% dependants									55		
% unemployed									12		

Source: Labour Force Survey, 1998

* Income poverty: The minimum income that people need to earn to cover cost of their most essential needs.

4) Private Sector Development

4.1) Number of industries by sector, size and type

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Sector										
Private	710					3169	3666	4356	4813	5678
Joint	20					11	11	5	5	5
Public	12					26	28	33	33	33
Size *										
Large scale				18	30	31	31	36	36	38
Medium scale	23			16	22	32	32	39	41	39
Small scale	19			148	142	177	196	328	337	345
Cottage scale	201			947	693	650	678	693	734	832
Mini scale					922	1231	1425	1640	1829	2154
Other (contract)					921	1085	1343	1658	1874	2308
Type										
Production and Manufacturing	266	189	226	258	303	336	372	405	447	486
Agro based	64			63	72	81	84	96	105	104
Forest based	131			117	151	167	198	207	239	270

Mineral based	33			38	29	35	35	37	37	37
Others	38			40	51	53	55	65	66	75
Contract	395	349	544	662	921	1085	1343	1658	1874	2308
Services	81	124	164	209	1506	1785	1990	2331	2530	2922

Source: Statistical Yearbook of Bhutan, 2000, CSO.

Note : Size of industries are determined by their input capitals. Cottage with Nu. .5 million or less, small is Nu. .5 to 5 million, medium is Nu. 5 to 20 million, large with Nu. 20 million or more.

4.2) Exports and Imports to India and Third countries (in Nu.million)

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Exports											
India	270					1946	3079	3227	4042	4176	
Third countries	2					137	270.2	326.8	232.2	279.9	
Imports											
India	800					2051	2630.2	2896.2	3453	3620.9	
Third countries	127					825	1,011.7	1679	1524.4	1895.4	
Trade Balance											
India	-530					-105.5	448.7	330.8	588.3	554.68	
Third countries	-125					-688.2	-741.5	-1302.2	-1292	-1615.4	

Source: Foreign Trade Statistics of Bhutan, CSO, 1996

5) Children and Youth

5.1) Population estimates by age group

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
% population <15 years									42.1	42.1
% population >15<24 years									16.9	16.9
% population >25<39 years									18.5	18.5
% population >40<59 years									15.3	15.3
% population >60<74 years									5.9	5.9
% population >75 years									1.3	1.3

Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001

5.2 Youth Unemployment

% unemployed in the age group 15-19											17.5
% unemployed in the age group 20-24											21.8

Source: Labour force survey report, 1998-99

6) Gender

6.1) Decision Making and Decentralisation

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of women representation in national decision making body (National Assembly)									4	9
% women in community level decision body										70
% women involved in subsistence farming										62
% women involved in economic activities										16
Average daily work hours of rural women										13+
Average daily work hours of rural men										11
% women in civil service (formal employment)										20

6.2) Education

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
% girls enrolled in primary schools		41.1	42.3	42.6	43.2	43.4	44.0	44.6	45.1	45.7
% girls enrolled in junior high schools		33.2	36.1	38.5	41.2	42.9	43.8	44.8	45.4	45.8
% girls enrolled in high schools		25.9	27.2	29.3	31.5	36.7	38.2	39.3	39.5	40.8
% girls enrolled in higher secondary schools		17.1	21.6	21.7	21.6	26.2	27.2	29.3	29.9	31.7
% girls enrolled in tertiary institutions		14.3	17.4	20.8	20.9	18.6	19.6	22.5	28.8	31.7

Source: Education in Bhutan, 1999 Statistical report, Planning Section, Education Division, MoHE, Pages 16-20

Non formal education (NFE)

Female adult literacy rate (in %)											28
% participation of women in NFEs											70

7) HIV and AIDs

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of AIDS deaths (per 100,000)											1.5
People with AIDS (per 100,000)											0.5
Prevalence of STDs (in %)											
Gonorrhoea						51					
Syphilis						11					
Cancroids						1					
Urethral discharge						14					
Vaginal discharge						11					
Genital ulcer						12					

Source: Annual Health Bulletin 1995, Health Division, MoHE.

Incidence	2	8	9	0	0	5	0	0	7	96
deaths	0	0	0	0	0	0	0	0	0	0
Diphtheria										
Incidence	0	3	2	0	0	0	0	0	0	1
deaths	0	0	0	0	0	0	0	0	0	0
Tetanus										
Incidence	0	4	0	0	0	0	0	0	0	1
deaths	0	0	0	0	0	0	0	0	0	0
Neonatal tetanus										
Incidence	1	0	2	0	1	0	0	0	0	1
deaths	1	0	1	0	1	0	0	0	0	0
All EPI diseases										
Incidence	324	585	256	606	995	422	12	179	549	1615
deaths	6	1	5	5	1	5	0	0	5	0

Source: Statistical Yearbook of Bhutan, 1998, CSO, November 1999, Page 18

11) Water and Sanitation

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of Rural water supply schemes	150											1944
% rural population access to piped water	14											65
% rural population access to latrines												80

12) Agriculture and Natural Resources

12.1) Generic indicators

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Land-use (in %)												
Forests							72.5	72.5				
Pasture							3.9	3.9				
Agriculture							7.7	7.7				
Horticulture							0.1	0.1				
Settlement							0.1	0.1				
Others							15.7	15.7				

Source: Statistical Yearbook of Bhutan, 2000, CSO, May2001

12.2) Institutional support services

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<u>Agriculture</u>												
Agriculture extension centres (in numbers)	121										159	159
Agriculture seed production farms (in numbers)	10										11	11
RNR centres(in numbers)											35	35
RNR research centres (in numbers)	2										4	4
<u>Animal Husbandry</u>												
Veterinary Hospital (in numbers)	18										21	21
Livestock extension centres (in numbers)	87										110	110
Regional veterinary laboratory (in numbers)											4	4
Livestock farms (in numbers)	14										11	11
<u>Forestry</u>												
Territorial division (HQs) (in numbers)	25										11	36
Range offices (in numbers)	83										36	53
Beat offices (in numbers)											53	26

13) The Environment

13.1) Land

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
% arable land						7.7					
arable land per capita (Ha.)						0.51					
% under forest							72.5				
% under coniferous forest							26.5				
% under broadleaf forest							37.7				
% forest under plantation							0.2				
% degraded forest or natural schrub							8.1				
% area under protected area management system							23.42				

Source: Statistical Yearbook of Bhutan, 2000, CSO, may2001

13.2) Water and Energy

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Hydropower generation potential (MW)											20000
Installed capacity (MW)	348.9	347	347.6	347.6	347.9	347.9	350.1	350.1	350.2	350.15	
Electricity generation (MU)	1556.9	1549.9	1563.9	1683.9	1685.8	1630.0	1972.2	1838.4	1801.0	1746.11	
Total energy sales (MU)	127.6	144.7	159.7	173.8	176.5	276.0	342.8	361.0	375.2	390.79	
Number of towns electrified	28	30	36	37	37	38	39	39	39	40	
Number of villages electrified	221	254	270	277	282	297	331	363	370	443	

Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001

13.3) Air

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
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Per capita CO2 emission (MT)	0.38
CO2 emission from land use change and forest (mill. MT/yr)	-3.55

14. Nutrition and Food Security

14.1 Child growth monitoring in immunization clinics

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Child malnutrition (%)			58	45	39	32	28	26	24		
Number of children weighed			18499	20501	18229	14800	16467	16473	16528	12276	
Child malnutrition (numbers)	12115	11093	10746	9248	7136	4751	4525	4201	4001	2006	
Degree I			7676	6510	4930	3176	3139	2965	2940	616	
Degree II			2236	2028	1605	1268	924	890	800	177	
Degree III	2967	767	834	710	601	307	462	346	261	23	

Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average land holding per household in hectares												1.5
Food insecure districts												9
Malnutrition - Grade I (%)					32				18			

15. Industry, Tourism, Infrastructure and Services

15.1) Length of Roads and Bridges by type

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1. Roads										
Black topped									2223.2	2228.9
Non-black topped									1152.5	1461.6
<u>Total length of roads in kms.</u>									3375.7	3690.5
2. Bridges										
Reinforced concrete									1317.6	1318
Prestressed concrete									248	248
Bailey bridge									1833.3	1952
Suspension									687	687
Hemilton and steel									214	214
Composite									476	476
Wooden									375.7	375
Submersible									193.5	194
<u>Total length of all bridges in metres</u>									5345.1	5463

Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001

15.2) Tourism

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total tourist arrivals	1538	2106	2763	2984	3971	4765	5138	5363	6203	7158
Tourism revenue receipts										
Nu. million	48.2	52.3	77.5	100.6	124.5		231.4			
US\$ million		2.3	3	3.3	4	6	6.5	6.5	7.9	9

Source: Statistical Yearbook of Bhutan, 2000, CSO, May 2001