



Strategic Framework For
Rural Economy Advancement Programme
(REAP)
2014

Research and Evaluation Division
Gross National Happiness Commission
Royal Government of Bhutan

TABLE OF CONTENTS

INTRODUCTION	2
CHAPTER 1. OBJECTIVES.....	4
CHAPTER 2. STRATEGIES	5
CHAPTER 3. TARGETING THE EXTREME POOR	6
CHAPTER 4. VILLAGE DEVELOPMENT PLANS	8
CHAPTER 5. FINANCIAL SUPPORT AND PROCEDURES.....	9
CHAPTER 6. IMPLEMENTATION OF VILLAGE DEVELOPMENT PLANS	10
CHAPTER 7. MONITORING AND EVALUATION	11
CHAPTER 8. PROJECT COORDINATION UNIT.....	12

Abbreviations

REAP – Rural Economy Advancement Programme

VPPG- Village Participatory Planning Guidelines

VDP – Village Development Plan

MPI – Muti-dimensional Poverty Index

DT – Dzongkhag Tshogdu

GT – Gewog Tshogde

SAARC – South Asian Association for Regional Cooperation

PMU – Project Management Unit

GNHC – Gross National Happiness Commission

NGOs – Non-Government Organizations

Introduction

Recognizing the continued prevalence of poverty in Bhutan with 12% of the population living under poverty in 2012 in spite of rapid economic development, the Royal Government accorded highest priority in addressing poverty during the 11th Five Year Plan (2013-2018). In addition, Bhutan has made several international commitments to address poverty issues such as Decade of Poverty Alleviation (2005-2015), SAARC Development Goals and Millennium Development Goals.

The Rural Economy Advancement Programme was initiated in the 10th Five Year Plan and covered 10 villages. Having learnt the benefits of REAP from pilot REAP, the GNH Commission decided to upscale the targeted programme and continue in the Eleventh FYP as REAP Phase II. While the broad-based development programmes continue to alleviate poverty, the REAP shall seek to target the extreme poverty that may not be adequately addressed through broad-based development programmes. A slight change in the approach has been adopted based on the experiences of REAP Phase I. The VDPs were reviewed based on a conceptual framework developed to guide and objectively allocate budget according to the number of households and the RMPI ranking of a particular village. Instead of having many interventions as in REAP I, the strategy in REAP II would be a two-pronged approach; i) to formulate an income generating activity for the village following the entire value chain; and ii) Special activities for targeted poorest households in the village.

This strategic framework is expected to serve as the over-all guiding strategic document to the REAP, which explains the objectives and strategies of the REAP, objective criteria for selection of the poorest villages, data collection and analysis procedures, village participatory planning process requirements, financial support and procedures, implementation, monitoring, evaluation and project coordination mechanisms.

Chapter 1. Objectives

The overall objectives of the REAP are to reach out to the extreme poor and complement the broad-based development programmes in alleviating poverty, especially in the rural areas. The more specific objectives of the REAP are given below:

1. To alleviate extreme poverty in Bhutan;
2. To provide sustainable livelihood to the extreme poor, especially in the areas of standard of living, health, education, community vitality, financial security and food security;
3. To promote community participation, especially the poor, in planning and implementation of their own development plans;

Chapter 2. Strategies

In realizing the overall and specific objectives of the REAP, the following strategies shall be adopted:

1. To target the extreme poverty in Bhutan, the REAP shall carry out its interventions at the village level and the poorest villages shall be selected using objective criteria, namely, multi-dimensional poverty index (MPI).
2. In addressing the multi-dimensional poverty, namely, standard of living, health, education, community vitality, financial security and food security, the communities shall identify a set of interventions to address deprivations in each of the six dimensions
3. To promote participation of the poor in planning and implementation of their own development plans, the communities shall prepare respective village development plans (VDPs) in accordance to Village Participatory Planning Guidelines (VPPG), which outlines the procedures and requirements.
4. The Dzongkhag Administration and Gewog Administration or relevant CSOs and other government agencies shall implement the VDPs.

Chapter 3. Targeting the extreme poor

Multi-dimensional poverty index (MPI)

Since REAP shall seek to target the extreme poor, it is important to define poverty and use objective criteria for selection of the poor. In this regard, recognizing the need to tackle poverty from a multiple dimensions in addition to income, the REAP shall address poverty from multiple dimensions and a multi-dimensional poverty index is developed with six relevant dimensions as given below-

1. Standard of Living
2. Health
3. Education
4. Community Vitality
5. Financial Security
6. Food Security

Objective selection criteria

The set of indicators given below under each of the six dimensions in MPI shall form the objective criteria for selection of the poorest villages for poverty interventions.

Dimensions	Indicators
1. Education	1. Years of schooling 2. Child Enrolment
2. Health	1. Child mortality 2. Maternal health care
3. Standard of living	1. Electricity 2. Safe-piped water system 3. Sanitation 4. Roofing 5. Flooring 6. Cooking Fuel 7. Clothing
3. Community vitality	1. Availability of social support 2. Gender empowerment 3. Festival attendance

4. Financial security	1. Income
	2. Reliability of income
	3. Access to rural micro credit
5. Food Security	1. Land ownership
	2. Livestock
	3. Food sufficiency

Selection of the poorest villages

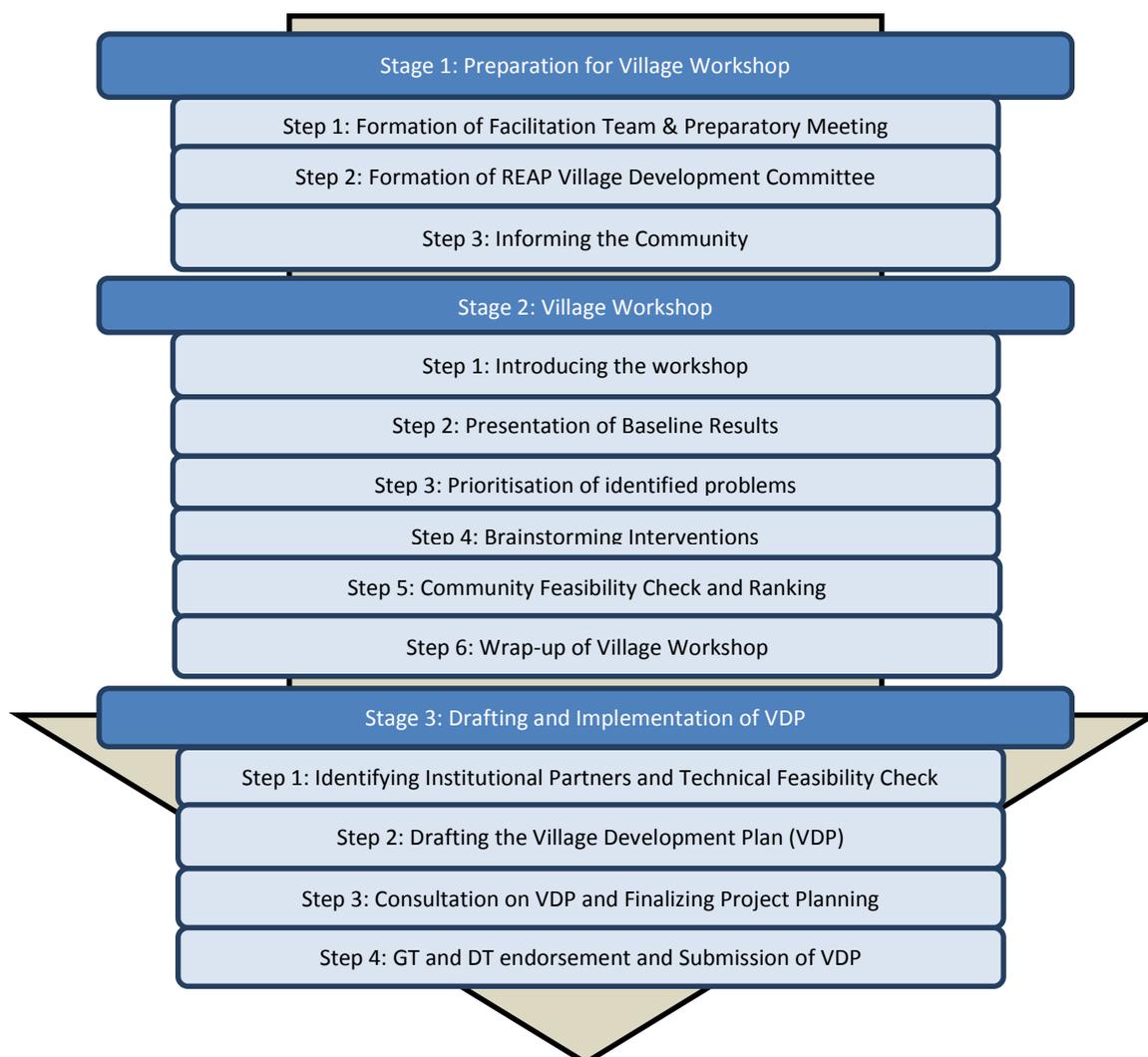
The selection of the poorest villages shall involve several steps as outlined below:

1. Dzongkhag administrations in collaboration with Gewog administrations shall short list the poorest villages in their respective Dzongkhags as per the criteria set by GNH Commission.
2. GNH Commission shall carry out household surveys in the short-listed villages to study the severity of poverty and to identify their challenges and needs.
3. GNH Commission shall assess MPI for each short-listed village using the information from household surveys and rank the short-listed villages in order of severity of poverty as determined by MPI.
4. In the event that the adequate financial resources are not available to implement poverty interventions in all the short-listed villages, the certain number of poorest villages as ranked in order of MPI shall be selected for poverty interventions. For example, if the financial resources are available only for 50 villages, then the 50 poorest villages as indicated by respective MPIs shall be selected.

Chapter 4. Village Development Plans

The GNH Commission shall inform the Dzongkhags/Gewog administrations to prepare village development plans (VDPs) for the selected villages. The VDPs shall be prepared in line with village participatory planning guidelines (VPPG) to involve the communities in identifying their own problems and interventions. The Involvement of the poor in the planning of the village development plans would foster ownership of the poverty interventions. Most importantly, it would help strengthen decentralization process and build capacity of the poor to identify problems, prioritize needs, and develop and implement the development plans.

The detailed procedures of participatory planning and the format for village development plans are explained separately in VPPG. A brief outline of the village participatory planning process is provided below:



Chapter 5. Financial Support and Procedures

The GNH Commission shall mobilize fund from development partners such as donor countries and international organizations. Following implementation and fund flow mechanism with time line shall be adhered:

Step	Task	Responsible Agency	Timeline	Remarks
1	Preparation of Annual Work plan	Dzongkhag/Gewog	January – February	
2	Submission of Annual Work Plan	Dzongkhags/Gewog	March	
3	Discussion and Finalization of Work Plan	PMU/ Dzongkhag	April	
4	Incorporation of Budget	PMU	May- June	
5	Deposit Work			
5.1	Non-Government Organization			
5.1.1	Submission of quarterly work plan	NGO/CSO	July	Quarterly
5.1.2	Release through Commom Public Expenditure (CPE)	GNHC/DPA		
5.1.2	Submission of Monthly Expenditure	NGO	July-June	
5.1.3	Submission of Fund Utilization Certificate	NGO	Quarterly	
5.1.4	Subsequent Release on Quarterly basis based on Fund Utilization Certificate	DPA/ PMU	Quarterly	
5.1.5	Submission of Physical and Financial Progress Report	NGO	June	
5.2	Dzongkhags/Gewogs			
5.2.1	First Release – Deposit Work <ul style="list-style-type: none"> Cheque in name of Dzongdag/Gup 	PMU	July	
5.2.2	Get Release as per FRR	Dzongkhags/Gewogs	July-August	
5.2.3	Submission of Quarterly Progress Report	Dzongkhags/Gewogs	Quarterly	
5.2.4	Subsequent Release based on Expenditure and Fund Utilization Certificate	Dzongkhags/Gewogs	Quarterly	
5.2.5	Fund Reconciliation <ul style="list-style-type: none"> Surrender of lapsed fund to PMU 	PMU/Dzongkhag	Mid June	
5.2.5	Submission of Annual Progress Report	Dzongkhags/Gewogs	June	

--	--	--	--	--

Chapter 6. Implementation of Village Development Plans

The village development plans shall be mainly implemented by the Dzongkhag/Gewog administrations as 'deposit work', which will be in addition to the annual budget allocated to the Dzongkhag/Gewog. The GNHCS shall also collaborate with other government agencies and Civil Society Organizations in implementing the village development plans.

Dzongkhag/Gewog Administrations

Gewog administration: Gewog administration shall coordinate and implement the village development plans. Gewog Administrative Officer shall serve as focal point for the REAP villages in the Gewog.

Dzongkhag administration: The Dzongkhag shall mainly engage in mobilizing and coordinating technical support as and when Gewog Administration submits the request to the Dzongkhag. The Dzongkhag Planning Officer shall serve as the focal point for the REAP villages in the Dzongkhag.

Sectors

In areas where Gewog administrations require technical support to implement some of the activities, they shall collaborate with sectors. The Gewogs shall ensure the involvement of relevant sectors during the preparation of the VDPs.

GNHCS as the executing agency shall collaborate with other Government Sectors, besides the Local Governments for the implementation of the village development plans.

Civil Society Organizations (CSOs)

Gewog Administration shall collaborate with NGOs in the implementation of activities where NGOs have comparative advantage in terms of expertise and coverage.

In addition, GNHCS as the executing agency shall collaborate with CSOs working in the area of poverty alleviation in the rural areas, in the implementation of village development plans.

Chapter 7. Monitoring and Evaluation

Monitoring

The periodic monitoring of the implementation of the VDPs is important to ensure that the planned activities are carried out as planned and completed as scheduled. The monitoring of the implementation of the VDPs shall also facilitate to identify implementation challenges for timely rectifications.

While Gewog administrations shall monitor the implementation of the VDPs in their respective Gewogs in detail, Dzongkhag administrations shall broadly monitor the implementation of the VDPs to ensure checks and balances of the monitoring system. The Gewog Administration shall submit Quarterly Progress Reports shall be submitted to the Programme Coordination Unit (PCU), GNHC through the Dzongkhag administrations as per the formats provided. The updates on the progress of each activity of the VDPs both physical and financial shall be entered in the Planning and Monitoring System (PLaMs) on a half-yearly basis.

Evaluation

The evaluation of the REAP shall be carried out after completion of each phase of the REAP as per the evaluation designs prepared at the onset of each phase of the REAP. The purpose of the evaluation in general shall be to determine the relevance, efficiency and effectiveness of the activities and to ensure accountability to the implementing parties. Most importantly, the evaluation shall determine whether or not the objectives of the REAP are achieved.

The Research and Evaluation Division, GNH Commission shall be responsible in preparing evaluation designs at the onset of each phase of the REAP and in carrying out the evaluation of the REAP. The findings of the evaluation shall be shared with all the implementing agencies, namely, Dzongkhag administration, Gewog administration, NGOs and central ministries. The findings shall be used to improve the next phase of the REAP, which would ensure more relevance, efficiency, effectiveness, and accountability.

Chapter 8. Programme Coordination Unit

A Programme Coordination Unit (PCU) shall be established within the Research and Evaluation Division under GNH Commission. The main functions of the PCU are laid down as below:

1. Mobilize financial resources to support REAP in coordination with DCD
2. Administer the village selection process using the objective criteria, namely, MPI.
3. Coordinate and carry out household surveys.
4. Provide technical backstopping for the preparation of VDPs.
5. Review VDPs against VPPG and the objectives and strategies of the REAP
6. Review annual work plans and receive budget proposals.
7. Forward budget proposals to the Department of National Budget and Department of Public Accounts for budget approval/incorporation and release.
8. Coordinate and facilitate the support from the sectors/CSOs for the implementation of activities under the VDPs.
9. Collaborate with Sectors and CSOs for the implementation of village development plans.
10. Undertake monitoring field visits to REAP implementation sites.
11. Compile and review progress reports of the REAP on a monthly basis/periodically as required and address the challenges identified.
12. Support and facilitate evaluation of the REAP.