

# **UN Bhutan COVID-19 Socio-Economic Response Plan (SERP)**

## **Interim Update**

**31 August 2020**

### **Contents**

<b>1. Introduction.....</b>	<b>2</b>
<b>2. Guiding Principles.....</b>	<b>3</b>
<b>3. The Royal Government of Bhutan’s Response to COVID-19 .....</b>	<b>4</b>
<b>4. Assessment of the Socio-Economic Impact of COVID-19 in Bhutan.....</b>	<b>5</b>
<b>5. UN Bhutan SERP: 5 Strategic Pillars.....</b>	<b>7</b>
<b>Pillar 1. Health First: Protecting Health Services and Systems during the Crisis .....</b>	<b>7</b>
<b>Pillar 2. Protecting People: Social Protection and Basic Services.....</b>	<b>9</b>
<b>Pillar 3. Economic Response and Recovery: Protecting Jobs, SMEs, and Informal Sector Workers .....</b>	<b>11</b>
<b>Pillar 4. Macroeconomic Response and Multilateral Collaboration .....</b>	<b>13</b>
<b>Pillar 5. Social Cohesion and Community Resilience .....</b>	<b>14</b>
<b>6. SERP Delivery.....</b>	<b>15</b>
<b>7. Communications during COVID-19 .....</b>	<b>15</b>
<b>Annex 1. Re-purposing of Existing Resources .....</b>	<b>17</b>
<b>Annex 2. Additional Resources Mobilized.....</b>	<b>17</b>

## 1. Introduction

**UN Secretary-General Antonio Guterres has described the COVID-19 pandemic as a “global health crisis unlike any in the 75-year history of the United Nations”.** It has demonstrated the fragility of both health systems and economies around the world. While the outbreak itself has so far affected Bhutan somewhat less than many other countries, the economic and social effects are already significant. The socio-economic impact will also likely increase as the crisis moves into a new phase with the imposition of a second nationwide lockdown on 11 August 2020<sup>1</sup>. This has halted most economic activity, stopped in-person and remote education, and strained essential service provision. It has also highlighted the vulnerability of Bhutan to the risks of a wider outbreak.

**A larger scale COVID-19 outbreak would put significant pressure on both the health sector and economy.** Bhutan’s health system would be significantly challenged to cope, including to ensure the continuity of non-COVID related health services. An extended period of limited movement of people, goods, and capital would also have important negative consequences for the economy, especially (but not limited to) the tourism sector and related service industries. Bhutan will also be negatively affected by an extended crisis and economic downturn in neighboring countries (especially India).

**Both the Royal Government of Bhutan (RGoB) and the UNCT moved quickly and pro-actively to respond to COVID-19.** UN agencies developed an initial joint response framework aligned with government plans and priorities. This approach was captured in the “*UN Bhutan COVID-19 Socio-Economic Response Plan*” (Bhutan’s SERP also known locally as the “Shield”). This initial framework included both short-term measures to mitigate negative social and economic consequences along with medium- to long-term investments to strengthen the re-build and resilience to future crises.

**The COVID-19 crisis and its socio-economic impacts are not static.** The crisis has unfolded with great uncertainty and has evolved significantly since its onset in March. The UN together with government partners is committed to systematically assessing its approaches and adapting as necessary. While much remains uncertain—particularly given the recent lockdown—six months into the crisis Bhutan and the world have changed and longer-term implications are (somewhat) clearer. This includes the understanding that impacts will likely continue to unfold over at least the next year. With this in mind, the UNCT is undertaking a comprehensive stocktaking to help ensure new and effective response activities to meet Bhutan’s evolving needs.<sup>2</sup>

**This document represents the Bhutan UNCT’s updated SERP as of August 2020.** Given the fluidity of the crisis and the need for regular review, this is also very much a “living” document. It will be updated as needed as the crisis continues to evolve. This includes especially a full update in the coming months as the UNCT’s internal review is completed and a more comprehensive understanding of needs, strategies, and budgets becomes available. This interim SERP represents a support offer over a 12-18 months horizon, incorporating lessons from the first six months of the crisis and the internal review as much as possible.

**The UN Bhutan’s SERP is informed by the global framework but adapted for the local context.** Like the global “*UN Framework for the Immediate Socio-Economic Response to Covid-19*”, Bhutan’s localized UNCT response includes activities across five pillars. Specific agency leads have been designated in each pillar to support coordination and accountability. The SERP aims to complement and support as much as possible government response plans, including especially the health National Preparedness and Response Plan (NPRP), Economic Contingency Plan (ECP), Druk Gyalpo’s Relief Kidu, and other stimulus initiatives. The UN’s work across the five pillars also aims to align with the activities of non-UN agencies, especially the IFIs to ensure complementarity and effective joint development partner responses.

---

<sup>1</sup> This follows an initial period of semi-lockdown in March-April that limited business operations and government functions.

<sup>2</sup> This exercise comprises especially consultations with government institutions, UN agencies, non-UN development partners, and civil society organizations. It is scheduled to be completed by end-September 2020 and the UNCT expects a more comprehensive and costed SERP at that stage. Results from the ongoing exercise inform this update of the interim SERP submitted August 2020.

1. Health First: Protecting Health Services and Systems during the Crisis (UNICEF/WHO)
2. Protecting People: Social Protection and Basic Services (UNICEF/WFP)
3. Economic Response and Recovery: Protecting Jobs, SMEs, and Informal Sector Workers (WFP/UNDP)
4. Macro-Economic Response and Multilateral Collaboration (UNDP/UNRCO)
5. Social Cohesion and Community Resilience (UNODC/UNDP/UNRCO)

**The SERP supports the UN's overall work in Bhutan in several important ways.** When completed, the SERP (and its accompanying background analysis) can help UN agencies and the government to adapt or strengthen support to respond to COVID-19 across the five thematic areas. It will also help give a more consolidated view of activities within and outside the UN, thereby supporting complementarity and partnerships. Finally, it will support resource mobilization for a scaled up COVID-19 response, providing a baseline evidence of country needs, mapping of priorities, and costing of activities.

**A fundamental aim of the UNCT SERP is to help ensure a sustainable future for Bhutan.** This means supporting choices today that lead to the inclusive, green, and sustainable tomorrow embedded in the Sustainable Development Goals and the concept of Gross National Happiness. This includes recovery efforts anchored in climate change mitigation and adaptation, environmental protection, and strengthening the green and circular economy. It also includes keeping “greening” central to all economic activities—especially in agriculture, waste management, and energy—and helping to protect Bhutan’s status as one of the world’s only carbon negative countries. In sum, the UNCT hopes to provide support across all five dimensions of the SERP that favors transformational choices during this period of crisis that can help Bhutan emerge strong and on a sustainable path for the future.

## **2. Guiding Principles**

**The Bhutan UNCT SERP's design and implementation is guided by several principles:**

**First, it is highly context specific and driven by national needs and priorities.** This means that it aims as much as possible to align with government needs, integrate government perspectives into its analysis and programme, and ensure national ownership. It thus reflects alignment with Government plans and has been informed by close discussion with RGoB counterparts.

**Second, it includes a particular focus on UN support to vulnerable populations.** In Bhutan, the social and economic impacts of COVID-19 will likely be felt most significantly by these groups through, for example, lower incomes, increased food vulnerability, and higher exposure to social harms. The UNCT will also consider how UN activities are informed by a gender lens and the specific needs of women. The SERP's targeting of specific populations builds especially on earlier analysis and identification of 14 vulnerable groups conducted by RGoB and UNDP in 2017.

**Third, the SERP is guided by a view towards supporting a long-term and sustainable recovery.** This includes how UN support can combine short-term emergency responses with a focus on longer-term resilience building (i.e., the concept of “building back better”). In particular, much initial work concentrated on immediate needs. This will continue to be crucial—especially as the crisis enters a more intense phase that will impact more people in deeper ways. But, as in many countries, the UN can also play an important role in supporting the long-term future of Bhutan. This includes through promoting climate-resiliency, long-term human capital development, and sustainable financing approaches. One aim of this response and recovery plan is to anchor, as much as possible, the overall socio-economic response firmly within a

vision of long-term sustainable development, including how investment and policy choices during the COVID-19 crisis might help transform Bhutan's future trajectory.<sup>3</sup>

**Fourth, the SERP is fully integrated into the UN's core work, including especially the UNSDPF and Annual Work Plan (AWP).** In this context, the current review and update exercise is part of the Mid-Year Review (MYR) process with results feeding into and supporting any necessary adjustments to both the UNSDPF and the AWP. The SERP is also thus reflected in the UNCT's work programme and its re-programmed resource framework. The UNCT also hopes the SERP and the relevant operational adjustments necessary for the COVID-19 response can help its work going forward. This means incorporating some of the new approaches and technology needed for the emergency response in ways that will also help the UN's work after the crisis, such as the use of new digital solutions for information sharing, inter-agency coordination, and service delivery.

### 3. The Royal Government of Bhutan's Response to COVID-19

**The RGoB's actions in steering the response to COVID-19 have been commendable.** Under the guidance of His Majesty the King, the Prime Minister's Office, Ministries, agencies and local governments, the private sector and CSOs reacted quickly to respond to the pandemic. This includes several key measures to help prevent the spread of the virus and formulate socio-economic response and recovery programmes.

- **National Preparedness and Response Plan (NPRP).** In order to mount an effective and efficient response to COVID-19, the RGoB prepared the NPRP to enhance the health sector's capacity in surveillance, early detection, control and prevention, response, and recovery. The plan is being reviewed and updated as required by the Technical Advisory Group (TAG) for COVID-19.
- **Economic Contingency Plan (ECP).**<sup>4</sup> The RGoB has developed two phases of the ECP<sup>5</sup> that detail both immediate and longer-term response actions to support economy recovery in key sectors. ECP I concentrated on construction ("Build Bhutan"), tourism ("Tourism Resilience"), and agriculture ("Food Self-sufficiency and Nutrition Security").
- **Guidelines for Curriculum Implementation Plan for Education in Emergency.**<sup>6</sup> The Ministry of Education developed several new measures as part of its COVID-19 Response Plan, including this advisory note on precautionary and preventive measures and learning guidelines during the emergency for schools, ECCD, and Non-Formal Education/Community Learning Centres.
- **Druk Gyalpo's Relief Kidu.** The Druk Gyalpo's Relief Kidu provides direct income support to affected individuals. It has already been extended through September 2020 and represents a critical livelihood support in response to the crisis.

---

<sup>3</sup> To support this aim, the UNCT is also planning a policy dialogue series to help inform national debate on the future of Bhutan and how decisions during the COVID-19 crisis period might support a sustainable future path. (See Section 7 on the UNCT's communications strategy for more details.)

<sup>4</sup> RGoB (2020), *Economic Contingency Plan: Series I*. The RGoB also developed additional plans targeting specific sectors not summarized here, including stimulus plans for tourism (RGoB (2020), *Tourism Stimulus*) and agriculture (RGoB (2020), *Agriculture Stimulus Plan: Going Beyond COVID-19 for Food & Nutrition Security*).

<sup>5</sup> ECP II is still to be released.

<sup>6</sup> RGoB (2020), *COVID-19 Response Plan: Guidelines for Curriculum Implementation Plan for Education in Emergency (EiE)*.

- **RMA Monetary Measures.**<sup>7</sup> RMA has led two rounds of monetary response measures, including interest payment waivers, deferral of loan repayments, working capital loans at concessional rates, and targeted short-term microloans for CSIs.
- **Gender and Child Protection Emergency Preparedness and Response Plan.**<sup>8</sup> The National Commission for Women and Children (NCWC) initiated the development of a national response plan targeting especially violence against women and children. The plan aims to prevent and respond to gender-related and child protection issues given the heightened risk during the public health emergency.

#### 4. Assessment of the Socio-Economic Impact of COVID-19 in Bhutan

The RGoB has launched several approaches to understanding the impact of the crisis. The UN system led by UNDP partnered with NSB to conduct a socio-economic Impact assessment on tourism and affiliated sectors”.<sup>9</sup> This exercise aimed to gain an understanding of the overall nature of impact of the COVID-19 crisis on tourism and related services, the hardest hit area of the economy so far. This review targeted especially social and economic vulnerabilities of affected individuals, their coping abilities, and alternative employment preferences.

**While the assessment targeted primarily tourism, its results and way forward also help inform broader policy responses.** This includes, for example, re-training and other financial support initiatives across multiple sectors. The government has also undertaken a variety of sector-based assessments to help inform their government plans. The sum of these analyses reveals the extent and nature of vulnerabilities experienced by those directly affected by the crisis.

Selected results include:

- **The impact of the COVID-19 crisis is deep, wide-spread, crosscutting and dynamic.** The crisis has had a grave impact on lives, affected many people, and increased vulnerability across many dimensions. For example, a large majority of surveyed people reported facing three or more deprivations simultaneously according to the Multidimensional Vulnerability Index for Tourism (MVI-T) developed by the Oxford Poverty and Human Development Initiative (OPHI). As the crisis has extended, its impacts are also becoming more widespread beyond the tourism sector.
- **There is strong interest in alternative employment as a coping mechanism, focused on a few vocations especially in agriculture, carpentry, and plumbing.** Most affected people who are (casual and regular) employees expressed interest in alternative employment. Fewer women, however, were interested in the alternative employment options presented and targeted in initial programme initiatives. This highlights the need for more gender-sensitive response plans and initiatives.
- **While the impact of the COVID-19 crisis is hard hitting, coping capacity is limited.** Seeking government help was among the popular coping strategies while curbing consumption was among the least popular. Many Bhutanese also have little or no economic security (in the form of personal savings or employee saving schemes) and were living from paycheck to paycheck (or season to season in case of tour guides).

**The assessment and other analyses point to several directions that can help the Government and UNCT’s COVID-19 response.** These seek to balance both immediate policy responses with a long-term economic vision. The UNCT has used these results to help inform the development of the SERP.

<sup>7</sup> Royal Monetary Authority (2020), *Monetary Measures in Response to COVID-19*.

<sup>8</sup> NCWC (2020), *Gender and Child Protection Emergency Preparedness and Response Plan during COVID-19*.

<sup>9</sup> National Statistics Bureau and UNDP (2020), *Rapid Socio-Economic Impact Assessment (RSEIA) on Tourism and Affiliated Sectors*.

- **Immediate-term relief and alternative livelihood support measures.** Given the immediate effects on livelihoods it is important to develop strategies for immediate relief, including for protecting the most vulnerable such as cottage and small enterprises, the self-employed, individuals with limited coping mechanisms, women and youth.
  - **Improve institutional coordination and synergies across programmes.** It is important to have a coordination mechanism among the leading agencies in order to reduce transaction and implementation costs and to ensure efficient and well-coordinated support.
  - **Prioritize and target households/individuals who have a vulnerable member(s).** Providing support to these households first will ensure that the needs of the vulnerable are met in a timely and appropriate manner.
  - **Support re-skilling and upgrading—including within the tourism sector.** As Bhutan aspires to diversify its offer to ecotourism, nature-based tourism and other unexplored territories, the current ‘downtime’ is an opportune moment to invest in building capacity and expertise (e.g., nature-guides, eco-tourism and farm-tourism).
  - **Support to food security, green investments and those returning to rural areas/farms.** The focus on agriculture must be complemented by value-chain linking activities (e.g., processing and packaging), cluster-based incentives to promote smallholder farmers and CSIs involved in agro-industry, and coordinated use of storage and transportation facilities.
  - **Design employment and re-skilling programmes with a gender-sensitive lens.** It is very important to ensure options that are gender sensitive in developing employment and re-skilling programmes.
  - **Support liquidity and operations of affected tourism-related businesses.** Considering the heavy debt burden faced by most business owners (especially in the hotel sub-sector), stimulus packages as well as monetary and fiscal measures may need to be reviewed for their effectiveness in supporting small businesses over the long-term.
  
- **‘Build back better’ measures beyond the immediate term.** Beyond immediate relief, strategies for economic recovery in the medium- to long-term must consider aspects of sustainability, resilience and equity.
  - **Align alternative employment and re-skilling programmes with future labour and skills requirements.** Employment and skilling programmes must consider the future of work and expanding vocations to accommodate those with higher qualifications and differing interests. It is important to link these programmes with the skills envisaged in government’s new 21st Century Economic Roadmap.
  - **Introduce complementary policies and measures to sustain re-skilling and economic diversification measures.** In order to sustain re-skilling programmes, for example in construction, incentives may need to be introduced for Bhutanese contractors to use national labour. Similarly, measures may be introduced to promote Bhutan-grown vegetables over imported vegetables.
  - **Make strategic investments in rural Bhutan and in individuals who wish to relocate.** Since many individuals are moving back to their hometowns, this can be an opportunity to assess skills and qualifications and identify talents. This can help facilitate the transformation of Bhutan’s agriculture and IT sectors in line with the vision captured in the 21st Century Economic Roadmap.
  - **Strengthen social and environmental sustainability aspects into the Bhutanese economy.** Building on the strong foundation of Gross National Happiness, Bhutan can aim to transform its economy by integrating concepts such as (but not limited to) sustainable consumption and production, circular/regenerative economy, and valuation of ecosystem services.
  - **Build robust, shock-responsive social protection schemes.** Building robust and shock-responsive social protection schemes (such as employment insurance schemes) is essential. These are needed given the lack of current coping mechanisms and for quick responses to protect people from future economic shocks.

- **Encourage a saving culture.** On the other hand, inculcating greater personal agency, responsibility and resilience via encouraging a saving culture among the Bhutanese is vital to complement government programmes to protect the population and to ‘build back better’.
  - **Build systems to allow for continuous real time tracking of the socio-economic situation and multidimensional vulnerabilities.** Continuous real time tracking would help design effective responses in view of the rapidly evolving impact of COVID-19 on tourism as well as other sectors, especially for understanding the changing needs of vulnerable populations.
- **Looking forward into the new future.** Ultimately, it is important that the investments of today lead to sustainable and resilient solutions for an inclusive, green, and sustainable tomorrow. While initial recovery efforts focused on cushioning the immediate impact, the next phase should also include explicit strategies for the future. This means recovery efforts anchored in supporting climate change mitigation and adaptation, environmental protection, and strengthening the green and circular economy. It also means helping usher affected individuals into new sectors aligned with the future vision of this green economy. It means developing responses that consider multidimensional impacts, target support to vulnerable groups, and help realize equal access to opportunities and resources (rather than unintentionally aggravating existing vulnerabilities and inequalities). And it means support that strengthens the resilience of individuals and businesses alike, helping them build back and even improve their livelihoods and ability to withstand further shocks in the future.

## 5. UN Bhutan SERP: 5 Strategic Pillars

**Like the global framework, Bhutan’s interim SERP is centered on five strategic pillars.** Specific strategic priorities and activities have been identified, informed by RGoB plans and activities, socio-economic impact analyses, and internal reviews of programme activities.

**SERP implementation will rely on close coordination with the Prime Minister’s Office, Gross National Happiness Commission, Ministry of Foreign Affairs and with relevant Line Ministries.** It will also marshal the collective expertise of the UN, Asian Development Bank (ADB), International Monetary Fund (IMF) and the World Bank as well as support from other key development partners.

**The first phase of the COVID-19 crisis has already provided lessons to the UNCT that cut across SERP pillars.** The UN will build on these as it develops and implements further response activities. For example, improved coordination will continue to be critical, including at the technical level to avoid inefficiencies or duplication. There is also space for strengthened data and knowledge to help plan effective interventions, especially given the changing impacts of the crisis over time. The effectiveness of responses in the next phase will also be enhanced through additional clarity around emergency/contingency plans and roles for government, development partners, and CSOs. Finally, the UN will increase its focus on reaching remote populations with critical services given the already observed challenge in doing so during the first stage of the crisis response.

### **Pillar 1. Health First: Protecting Health Services and Systems during the Crisis**

***UNCT lead: WHO/UNICEF***

***Key RGoB partners: Ministry of Health***

***Key National Framework(s): National Preparedness and Response Plan (NPRP)***

**The UNCT will target actions to support essential lifesaving health services, continuity of service provision, and overall health system strengthening.** Specifically, this includes immediate support to protect the Bhutanese population from COVID-19. It also involves ensuring the provision of regular health services and helping support the health system so that

it does not become overwhelmed. The UNCT will also provide support towards building a strong health system over the longer-term beyond the immediate crisis, including Bhutan's progress towards SDG3.

**The UNCT's forward-looking strategy also involves considering new approaches to health.** This includes strengthening linkages between health and environmental outcomes. UN interventions are also particularly targeted at health care delivery to vulnerable populations, including in remote areas given the unique geographical setup of the country. The UN system in Bhutan supports the overarching goal of high-quality and universal health care delivery aligned with Bhutan's constitutional guarantee of universal provision.

### **1. Rapid policy support and technical guidance to assist the emergency response**

This priority area targets especially support to the Ministry of Health for the immediate response to the crisis. It aims to help strengthen essential health services and systems during and after the outbreak, such as by prioritizing services, shifting delivery, and supporting clinical and outreach services.

- Support to help develop contingency plans, high risk community assessments, and COVID-related SOPs.
- Support for developing and rolling out emergency IT solutions (e.g., the Gate Management System, quarantine app, GIS dashboards).
- Support to the collection of real-time data to effectively monitor and rapidly respond to COVID-19, such as through provision of equipment and training.
- Support to training and sensitization of Desuungs (Volunteers) on COVID-19.
- Support to simulation exercises at border crossings to test preparedness and response (e.g., in Phuentsholing).

### **2. Provision of critical supplies and equipment**

The UNCT will also provide direct procurement and supply assistance to the RGoB to help respond to the crisis. This has been a focus of activity since March and will continue to be important during the next phase.

- PPE procurement assistance (e.g., for frontline health workers).
- Provision of "dignity kits" (face mask, T-shirt, umbrella, sanitary pads, soap and hand sanitizers) to youth, CBSS, Scouts and private sector volunteers to support community engagement initiatives on COVID-19 (including domestic violence messages).
- Supply of tents and other equipment for setting up temporary flu clinics across the country.

### **3. Support to health communications and outreach**

This area of support will target strengthening communications to the community related to COVID-19, including risks, behavioral advice, and to counter misinformation.

- Support to monitoring and information systems, including helping the population understand rights and needs.
- Technical expertise to help draft and implement Communications Plans.
- Support to development of communications materials for government (e.g., FAQs) to help eliminate confusion regarding COVID-19 among the general population.
- Support to the national COVID-19 media team (comprising officials from MoH and WHO), the central coordinating body for media-related materials and for validating information related to COVID-19 to fight myths and misinformation.

### **4. Support to continuous service delivery and long-term system strengthening**

The UNCT will also support the consistent delivery of regular health services, especially during COVID-19 outbreaks to help ensure that the emergency response does not overwhelm the system. It will also take a particular focus on the most vulnerable populations (e.g., filling in gaps in tracking and reaching vulnerable populations).



- Capacity development to help maintain and sustain essential services during and after the crisis.
- Explore new digital solutions (e.g., remote healthcare services) and digital platforms to help improve access to information and coordination (including beyond the crisis).
- Support to ensuring continuity of health services to pregnant women and children, including vaccination. This includes in-person and online trainings on Maternal, Newborn and Child Health.
- Support to overall health system strengthening, such as through telemedicine, MCH, and cold-chain development for essential supplies.
- Support to development and communication of SOPs related to the continuity of essential health and nutrition services.

## **Pillar 2. Protecting People: Social Protection and Basic Services**

***UNCT lead: UNICEF/WFP***

***Key RGoB partners: GNHC, Ministry of Health, Ministry of Education, NCWC***

***Key National Frameworks: Druk Gyalpo's Relief Kidu; Guidelines for Curriculum Implementation Plan for Education in Emergency (EiE); Gender and Child Protection Emergency Preparedness and Response Plan***

**Social protection plays a central role in protecting vulnerable groups during socio-economic crises.** The UNCT in Bhutan will continue to support the RGoB in strengthening approaches to social protection instruments. This includes helping build on the increase of coverage during the Covid-19 response, such as through exploration of shock-responsive mechanisms and specific lifecycle mechanisms that target the needs of different populations (e.g., women, older people).

**The UNCT will also prioritize support to ensure that the population continues to have access to essential basic services, including water, sanitation, and education.** The COVID-19 crisis impacts the poorest and most vulnerable the most, with significant intergenerational implications for poor families. The UNCT will target especially these populations so that human development is not further compromised during the crisis owing to a decline in access to basic needs.

### **1. Support to shock-responsive and pro-poor social protection systems—both during the emergency and beyond**

The UNCT's response in the area of social protection and basic services will support the RGoB to adapt, extend and scale-up protection services. This includes such as by assisting in enhancing and exploring social safety net services and systems to improve efficiency and effectiveness. This will involve looking for ways to adapt existing social protection schemes by expanding coverage or enhancing targeting.

- Support the conduct of rapid social protection diagnoses to understand approaches to enhance efficiency and effectiveness, especially to help protect vulnerable groups.
- Provide technical and financial assistance to support social safety net expansion (e.g., based on efficiency, management, reach, and impact).
- Provide technical support to the potential introduction of child-sensitive cash transfers.
- Support to develop guidelines on best practices for deploying social protection policies to mitigate the socioeconomic impacts of the COVID-19 pandemic.
- Support understanding of costs and financing options for different social protection pathways, including different cash transfer models (e.g., universal income transfers).

### **2. Maintain essential food and nutrition services**

The UNCT will also prioritize support to nutrition services during the COVID-19 crisis, especially focusing on infants, young children and women. COVID-19 and related shutdown measures will have an impact on the quality of diet and access to nutritious foods. This can translate into increased mortality, morbidity and malnutrition among population groups with the highest nutrition needs.

- Support to ensure continuity of national nutritional services through training on micronutrient powder supplementation and infant and young child feeding (IYCF) counselling.
- Advocacy and promotion of IYCF, including messages around breastfeeding practices.
- Support to proper food inventory management that can be adopted by traders and dealers.
- Support to improving food safety and quality management during warehousing, transportation, distribution and retail.
- Support to school feeding programmes to ensure dietary and nutritional requirements for vulnerable children.
- Development of a survey on the impact of COVID-19 on the food security, household income and health of the most vulnerable households.
- Support community outreach strategies to promote nutritious eating and healthy lifestyles (including under COVID-19 restrictions).

### **3. Ensure continuity and quality of water and sanitation services**

The UNCT will support access to safe water and sanitation, essential services that may be affected by COVID-19 through a reduced workforce, disrupted supply chains, and payment challenges. Women-headed households are particularly vulnerable to increased health risks caused by poor access to clean water and sanitation.

- Support mainstreaming and accelerating WASH services nationwide, including WASH investments in local government budgets.
- Technical and financial assistance to strengthen WASH facilities in collaboration with MoH, including installation of facilities in healthcare centers and public places.
- Support to brokering solutions for those households relying on vendors, markets and community sources of water in order to ensure a water 'safety net' for all households that are vulnerable to water disruptions.
- Continued support to agricultural irrigation activities that also provide critical access to drinking water (e.g., this support already helps cover much of the national water flagship programme).

### **4. Secure sustained learning for all children and adolescents, preferably in schools**

Nearly all Bhutanese children have been directly affected by school closures. The UNCT will work with national education authorities (and private education service providers) to support schools to re-open safely (following the national shutdown). It will also assist the RGoB and other partners to scale up digital and other forms of remote learning, with a focus on how to support children in remote areas lacking internet access.

- Support review and finalization of new education policies, incorporating lessons learned from the crisis.
- Support distance education and home-based learning education modalities (including for children with disabilities).
- Support distribution of Self-Instruction Materials (SIM) to children without access to online learning.
- Support advocacy campaigns to advance safe handwashing, e-learning, and other social messaging (e.g., through partnerships with scout leaders).
- Support to home-based learning and COVID prevention practices through ECCD parenting guides.
- Support to the development of safe reopening protocols and checklists with MoE, including guidance for teachers and students to stay healthy and safe while following health, safety and psychosocial protocol for COVID-19 prevention and control measures.
- Provide technical guidance to help national and local authorities make decisions on why, when, and how to reopen schools
- Support to the education of children and young people with special needs, particularly those living with disability, through the provision of assistive devices.

## **5. Support victims of Gender-Based Violence (GBV).**

The UNCT will support national authorities, civil society and women's organizations to help prevent GBV and ensure services for those affected. This work helps ensure basic essential services are provided for survivors of GBV, including health services, counselling, and psychosocial support. It will also include developing approaches for prevention, advocacy, and awareness of available services.

- Technical support to NCWC for advocacy to address prevention and responses to gender-based violence.
- Training for frontline workers and non-specialized service providers on responding to GBV (e.g., to Desuungs).
- Training for community volunteers (e.g., local leaders, advocates, teachers, shelter home counselors, home makers, mental health counselors) on GBV prevention and sexual and reproductive health and rights issues.
- Continued support to NCWC for the Gender and Child Protection Emergency Preparedness and Response Plan during the COVID -19 pandemic.

## **Pillar 3. Economic Response and Recovery: Protecting Jobs, SMEs, and Informal Sector Workers**

***UNCT lead: UNDP/WFP***

***Key RGoB partners: Ministry of Economic Affairs, GNHC, Ministry of Agriculture, Tourism Council of Bhutan***

***Key National Frameworks: Economic Contingency Plan I and II<sup>10</sup>; Tourism Stimulus; Agriculture Stimulus***

**Support to employment, livelihoods and incomes will be at the core of the UNCT's emergency and recovery effort.** This includes how to protect the livelihoods of the most vulnerable, including SMEs, the self-employed, daily wage earners, and small farmers. The UNCT will thus target enhancing the productive sectors, protecting jobs, strengthening small businesses and CSI, and promoting decent work. It will also assist the RGoB in fine-tuning current employment policies as well as develop pro-youth and pro-women employment policies, along with youth-driven employment and entrepreneurship solutions strategies.

**The UNCT will also target a green economic recovery, including in the tourism and agriculture sectors.** This includes supporting investments and incentives for strengthening the green and circular economies. It also includes training in green jobs and in environmental practices that cut across different economic sectors.

### **1. Support for re-skilling aligned with the RGoB's long-term economic vision**

The UNCT will prioritize support to alternative employment and re-skilling programmes aligned with the labour and skills needed for the future economic vision of the country (e.g., skilling in IT, energy, construction, and service sectors related to tourism). This support will also target linkages with the new 21st Century Economic Roadmap.

- Support to labor-market demand forecasting and skills/human capital development aligned with future demands—including the 21<sup>st</sup> Century Economic Roadmap—with a strong focus on technology, innovation, the future of work, and post-COVID-19 tourism policy.
- Support to RGoB policy directives, such as to protect support local production, investments in green economy, and promotion of green growth through the proactive implementation of the existing renewable energy policies and frameworks.
- Support economic contingency planning, especially different scenarios related to livelihoods and employment strategies (e.g., in partnership with Ministry of Agriculture and Forest, Ministry of Education, and NCWC).
- Support to livelihood opportunities for people impacted by COVID-19, including cash for work and reskilling and upskilling opportunities.
- Priority upskilling and reskilling support to women who have been displaced from the tourism and informal sectors and are victims of domestic violence to protect their livelihoods and promote economic empowerment.

---

<sup>10</sup> The UNCT will continue to support implementation of ECP I and will align future work with ECP II.

## **2. Support for entrepreneurship and social innovation—especially young people**

The UNCT will also promote start-ups and entrepreneurship opportunities for young people. This includes incentives for youth to take up business opportunities and skills development for enterprise planning and management, technology, and finance.

- Support business matchmaking, advisory services, and other start-up technical services.
- Support young entrepreneurs (including women and single mothers) develop and launch business ideas, including green businesses, through financing and training.

## **3. Support for rural livelihoods and enhanced food security**

Agriculture is Bhutan's largest source of employment and second largest driver of GDP. Nevertheless, even before the COVID-19 crisis Bhutan faced food security issues and has been dependent on food imports from India—largely owing to limited land available for agriculture.

**The UNCT will prioritize rural development, agriculture and livelihoods support.** This includes to support both food security (during the crisis and over the longer-term) and ensuring sufficient livelihoods for the mainly self-employed and small-scale subsistence farmers—most of whom are women. The focus on agriculture will also be complemented by value-chain linking activities (such as processing and packaging), cluster-based incentives to promote smallholder farmers and CSIs involved in agro-industry, and coordinated use of storage and transportation facilities.

- Support development and implementation of RGoB economic recovery packages in the agriculture sector, including the ECP and agriculture stimulus plan.
- Support communities improve access to irrigation water and land (e.g., through SLM and soil rehabilitation) to improve agricultural productivity
- Support smallholder farms in accessing financial resources and inputs.
- Support new nature-based solutions, including eco-tourism and innovative financing approaches.
- Support introduction and integration of environment-friendly technologies in production processes, stimulating green innovation and circular economy.
- Support urban/peri-urban area agriculture production, including to help young displaced employees from the private sector.
- Support strengthened data monitoring and surveillance systems to promote food security, enhanced rural livelihoods, and nutrition.

## **4. Supporting economic recovery strategies in priority sectors**

The UNCT will also support the RGoB to develop economic recovery strategies especially in critical sectors. This will include targeted support to SMEs and CSIs. The UNCT will align its work in this area with RGoB activities detailed in the ECP and monetary measures of the RMA. Strengthening the domestic private sector will be at the heart of Bhutan's new economic roadmap, especially small business development. This is particularly important in Bhutan given the inherent challenges of a small landlocked economy with limited resources. Small businesses are also those most vulnerable to the negative consequences of COVID-19, including especially in tourism and related services.

- Support to development and implementation of new approaches to tourism, including ECP I and II and new strategies for the future of tourism.
- Support to rapid and gender-responsive socioeconomic assessments and labor market and business environment diagnostics.
- Support to value-chain analysis for sustainable consumption and production linked with the 21st century roadmap.

- Support to the understanding the impact of the COVID-19 on businesses (especially MSMEs), including whether and through which channels businesses have been affected; severity of impact; and which government support measures would be most useful.
- Capacity building opportunities to MSMEs, including through distance coaching and e-learning.
- Technical support to women micro- and small entrepreneurs, such as such as business continuity planning, entrepreneurship support, and technical training (e.g., delivery channels).
- Support to RGoB for developing strategies that help identify solutions for businesses with non-performing loans owing to the COVID-19 crisis (e.g., hotels).

#### **Pillar 4. Macroeconomic Response and Multilateral Collaboration**

***UNCT lead: UNDP/RCO***

***Key RGoB partners: Ministry of Finance, Royal Monetary Authority (RMA), GNHC***

***Key National Framework(s): RMA Monetary Measures in Response to COVID-19; Economic Contingency Plan I and II***

**Bhutan’s recovery will require the fiscal space to meet both short-term emergency needs and longer-term development priorities.** This will be one of the most critical challenges facing the RGoB in the coming period. The COVID-19 crisis has already resulted in the tightening of fiscal space for financing emergency responses and long-term development needs. Lower tax and royalty revenues has already led to a decrease in domestic resources while the launch of fiscal stimulus and other support measures have increased expenditure. The country’s ability to further invest in strengthening resilience may also be compromised in the context of COVID-19 and new shocks more difficult to absorb.

**The UNCT will also thus target additional support towards developing financing options, protecting social expenditure, and macroeconomic forecasting.** This will involve close partnership and collaboration with the IFIs (including ADB, World Bank, and IMF). In particular, the support will target planning and financing to support the longer-term SDG agenda, including health, education, social protection, sustainable infrastructure and crisis preparedness. The UNCT will also support further multilateral and regional collaboration, including through its ongoing work on a sustainable graduation from the LDC category.

#### **1. Macroeconomic analysis and forecasting**

The UNCT will provide analytical, advisory and technical assistance support in close partnership with the IFIs to help strengthen Bhutan’s macroeconomic forecasting and analysis.

- Support to macroeconomic modeling (jointly with the ADB) to simulate the relationships and interactions between different sectors of the economy; estimate economy-wide impacts of shocks; and model the multi-dimensional effects of different policy actions.
- Technical support to further rounds of economic stimulus planning and implementation.

#### **2. Financing strategies and social expenditure monitoring**

The UNCT will support analysis of long-term fiscal sustainability and options for protecting social expenditures, such as through work with planning and budgeting systems and development of policy guidelines and approaches to allocative efficiency and SDG-aligned resource allocation.

- Technical support and analysis of expenditure options to support pro-poor growth, social spending, and SDG progress beyond the crisis.
- Technical support to improve the evidence base for policy making, including in the emergency response.
- Support to developing financing strategies to help ensure longer-term fiscal sustainability and pilot innovative financing mechanisms (e.g., through the SDG Fund for financing).

### **3. Household impact assessments context-specific socio-economic impact analyses**

The UNCT will advocate for strengthening systems that allow for continuous real time tracking of people's socio-economic status and multidimensional vulnerabilities, including towards approaches that help understand the evolving impacts of COVID-19.

- Support RGoB to build on existing systems and assessments in ways that strengthen nationwide surveillance and monitoring to help measure the dynamic socio-economic impacts of the crisis and the effectiveness of responses.

### **Pillar 5. Social Cohesion and Community Resilience**

**UNCT lead: UNODC/UNDP/RCO**

**Key RGoB partners: Ministry of Home and Cultural Affairs; Department of Local Governance; Civil Society Organizations Authority**

**Key Government Framework(s): TBC**

**The UNCT will prioritize engagement and support to local communities.** These are where the impact of COVID-19 will be felt most. Community-based perspectives and actions will also be critical for overcoming the pandemic. The UN's support will cover different aspects of engagement, including promoting space for social dialogue, enhancing community-based planning and oversight, and supporting community-based organizations to help ensure voice and activities targeting the most vulnerable.

#### **1. Support for inclusive social dialogue and engagement platforms**

The UNCT will support and use its convening power to foster social dialogue both during and after the pandemic. It is important to ensure that the urgency of the crisis response does not take away community voices or negatively affect social dialogue and democratic engagement processes. Inclusive social engagement can instead be an important basis for a comprehensive socio-economic response to COVID-19.

- Communications strategy using both traditional and new media to support communities, including to promote preventive practices, lessen COVID-19 risks, and combat misinformation and potential stigmatization of affected populations. (*See also Section 7 below for more details on the UNCT's communications strategy*).
- Support monitoring of the effectiveness of communications messages/approaches.
- Support development of new platforms for community engagement and social dialogue, including digital platforms especially relevant for COVID-19.
- Engagement and training of community leaders and volunteers (e.g., district officials, religious leaders, youth volunteers) to promote messaging and community engagement related to COVID-19 prevention and increasing access to available services.

#### **2. Support for community-based planning and oversight processes**

The UNCT will also continue its support to strengthening local governance, including participatory processes. The UN in Bhutan has been involved in strengthening community-based processes such as participatory planning and oversight. It will continue this work in the context of COVID-19, such as to help ensure people's voices are included and help inform community-based service delivery and enhanced local oversight.

#### **3. Enhanced partnerships with community-based organizations**

The UNCT will leverage its networks and existing partnerships to engage with a wide range of non-Government actors in support of COVID-19 activities. The crisis and its need for wide-ranging responses and cooperation may also offer new space for community engagement. This includes, for example, with civil society organizations, academics, private sector representatives, and other community-based organizations. These groups provide critical support for the country's

response to COVID-19. They also often have unique understanding of the needs of communities and specific population groups. The UN is well-placed to engage more deeply in the co-design and delivery of response activities.

- Support design of new community-based organization and CSO engagement frameworks and platforms.
- Engagement with young people, including youth leaders, to help ensure participation and inclusion in planning processes and the development of youth-targeted initiatives (e.g., through *Gewog Yarkay Tsogdue*).
- Support to vulnerable populations through collaboration with specialized CSOs (e.g., partnerships with disability-focused CSOs to advocate for and deliver programmes to people with disability in a time of emergency).

## 6. SERP Delivery

The UNCT is committed to ensuring efficient and effective support to the people of Bhutan during the COVID-19 crisis. Aligned with this aim, SERP delivery will be guided by a set of principles building on UNDS global guidance:

- To support coherence, the UN will work as much as possible collectively (including for resource mobilization).
- Transaction costs will be minimized by using existing platforms, capacities, institutions and systems.
- Flexibility for delivery will be enhanced by exploring new programming and operational modalities, such as those usually reserved for emergency response situations.
- Risks will be managed by making use of specific and joint risk management tools.
- Sharing of information will be a priority, including on what is working (and not) across different levels.
- Gender considerations will be at the forefront of planning, implementation and monitoring across all pillars of the SERP.

## 7. Communications during COVID-19

**The UNCT will continue to develop and implement a comprehensive communications strategy to support its COVID-19 response.** This includes especially: 1) regular COVID-19 Sitreps to raise awareness and provide updated information on UN activities<sup>11</sup>; 2) a public resilience-building initiative with information and tools for helping manage the COVID-19 pandemic; 3) public platforms for discussion of the development-related implications of COVID-19; 4) public advocacy campaigns to raise awareness of the challenges facing different population groups and give information on relevant services available; and 5) public health information campaigns to support prevention, promote good behavioral practices, and debunk myths and misinformation.

Examples of ongoing and planned communications activities include:

- **UN Bhutan launched an initiative in April 2020 called “*We Care, We Share: Resilience tools for COVID-19*”<sup>12</sup>.** This aims to provide information on personal resilience, physical health, mental health, lifelong learning and student entertainment for the general public during the COVID-19 pandemic. The initiative has a dedicated page on the UNCT website, which serves as a one-stop-shop for COVID-19 resilience tools and information.
- **The UN also supports “*Bhutan Dialogues*”, a flagship initiative in development thought-leadership.** In partnership with a leading CSO (Loden Foundation), the UN supports regular topical discussions on development issues relevant to Bhutan. Since the COVID-19 outbreak, *Bhutan Dialogues* has been hosted virtually and offered

---

<sup>11</sup> Previous UNCT Sitreps are available at [www.unct.org.bt](http://www.unct.org.bt). These will be released once every two months moving forward.

<sup>12</sup> See [www.unct.org.bt/covid-learning-resources](http://www.unct.org.bt/covid-learning-resources).

space for discussions of COVID-19 and its implications (e.g., on “Education and Enterprise in Bhutan in times of COVID-19”).

- **The UN also plans to partner with the RGoB and selected CSOs on a series of policy dialogues focused especially on the future of Bhutan.** This series aims to draw insights from leading thinkers/practitioners in various fields to generate forward-looking suggestions aligned with the concept of ‘no harm, no regret policy choices’ (i.e., those that can be made during the crisis that also help put Bhutan on a path towards a sustainable future).
- **The UNCT has launched several communications initiatives to advocate for and support specific vulnerable groups during the time of COVID-19.** These include, for example, campaigns to support: gender equality and highlight the increased risks of gender-based violence; awareness-raising of the challenges facing people with disabilities; messaging related to trafficking in persons; and space for children and young people to share stories, advocate, and discuss prevention messages.
- **UNCT communications work also aims to support good health practices and to counter misinformation about COVID-19.** This includes public campaigns on both traditional and new media platforms to promote prevention, communicate COVID-19 risks, and combat misinformation and potential stigmatization. To this end, the UN has partnered with the MoH to produce advocacy videos and helped develop other communications materials for the RBoG’s public communications efforts.



## Annex 1. Re-purposing of Existing Resources

<b>Re-purposing of 2020 Annual Work Plan (AWP)</b>	
UN agencies in collaboration with the RGoB and implementing partners carried out a first phase of re-purposing exercise for the UN AWP.	
IFAD	USD 968,875
UNFPA	USD 122,000
UNDP	USD 233,400
UNICEF	USD 112,000
WFP	USD 330,000
<b>Total</b>	<b>USD 1,766,275</b>

- As of 1 August 2020, UN Bhutan re-programmed **1,766,275 USD** into its COVID-19 response from its Annual Work Plan (AWP). Note that other AWP activities not identified for re-programming are still relevant to the UNCT's COVID-19 response, including support for continuation/strengthening of essential health, nutrition, WASH, education, and protection systems. In that sense, "un-reprogrammed" UN funds in the AWP are still pertinent to the immediate and subsequent COVID-19 support to mitigate socio-economic impacts.

## Annex 2. Additional Resources Mobilized

<b>Additional COVID-19 resource mobilization (as of 1 August 2020)</b>	
One UN (The Secretary General's UN COVID-19 Response and Recovery Fund)	USD 300,000
FAO	USD 296,000
UNDP	USD 2,709,600
UNICEF	USD 2,704,266
UNODC	USD 11,000
WFP	USD 217,500
WHO	USD 1,009,500
<b>Total</b>	<b>USD 7,247,866</b>