



PERFORMANCE AGREEMENT

BETWEEN

PRIME MINISTER AND SECRETARY

Gross National Happiness Commission

(July 1, 2017 – June 30, 2018)

TABLE OF CONTENTS

Section 1: Vision, Mission and Objectives

Section 2: Objectives, Actions, Success Indicators and Target

Section 3: Trend Values of Success Indicators

Section 4: Description and Measurement of Success Indicators

Section 5: Requirements from other Ministries, Agencies and Dzongkhags

Preamble

The Performance Agreement is entered into between the Prime Minister and Secretary , Gross National Happiness Commission .

The objectives of this Performance Agreement are:

- a) To establish clarity and consensus about annual priorities for the Gross National Happiness Commission consistent with the 11th Five Year Plan , and Governments other priorities;
- b) To make the Gross National Happiness Commission fully responsible for driving implementation and delivering the results against the annual priorities;
- c) To provide an objective and fair basis for evaluating the Agency's overall performance at the end of the year;

The Performance Agreement represents an important accountability mechanism for inculcating a performance based culture at all levels of government.

THEREFORE, the parties hereto agree as follows:

Section 1: Vision, Mission and Objectives

Vision

An institution that promotes an enabling environment for all Bhutanese to be happy.

Mission

To steer national development towards promotion of happiness for all Bhutanese guided by the philosophy of GNH.

Objectives

- 1) To spearhead planning, monitoring, coordination and evaluation of policies, plans and programs.
- 2) To mobilize adequate resources on a timely basis and ensure equitable and efficient allocation.
- 3) To formulate and facilitate implementation of targeted poverty reduction programs.
- 4) To promote effective and efficient direction and operational services
- 5) To ensure full budget utilization
- 6) To enable effective and efficient ICT Service delivery
- 7) To implement National Integrity and Anti-Corruption Strategy (NIACS)

Section 2: Objectives, Success Indicators & Target

Objective	Weight	Action	Success Indicator	Unit	Weight	Excellent [100%]	Very Good [90%]	Good [80%]	Fair [70%]	Poor [60%]
To spearhead planning, monitoring, coordination and evaluation of policies, plans and programs.	55	12th Five Year Plan preparation	Timeline by which final draft of 12th FYP for central agencies and local government is prepared	Date	13	January 2018	March 2018	April 2018	May 2018	After June 2018
		Formulate, review and commission policies, projects and programs	Percentage of draft policies finalized for submission to GNH Commission	Percent	4	>90	≥80	≥70	≥60	≥50
		Review, revise, update and monitor National key Result Areas(NKRAs), Dzongkhag Key Result Areas (DKRAs) and APAs	Number of policies reviewed and monitored for coherence and implementation	Number	6	4	3	2	1	0
			Timeline by which resource mobilization status for all budgetary agencies for the past 4 FY completed	Date	5	September 2017	October 2017	November 2017	December 2017	After December 2017
		Review, revise, update and monitor National key Result Areas(NKRAs), Dzongkhag Key Result Areas (DKRAs) and APAs	Timeline by which review of sectors/LGs budget for FY 2018/19 completed	Date	6	February 2018	March 2018	April 2018	May 2018	After May 2018
			Timeline by which annual progress report for 2016-2017 is prepared	Date	5	November 2017	December 2017	January 2018	February 2018	March 2018
			Timeline by which Annual Performance Target for FY-2018/19 for autonomous agencies finalized	Date	5	End February 2018	End March 2018	End April 2018	-	End May 2018
			Timeline by which mid year review of Annual Performance Target for FY-2017/18 for autonomous agencies conducted	Date	2	End January 2018	End February 2018	End March 2018	-	End April 2018
		Review, revise, update and monitor National key Result Areas(NKRAs), Dzongkhag Key Result Areas (DKRAs) and APAs	Timeline by which year end review of Annual Performance Target for FY-2017/18 for select autonomous agencies conducted	Date	5	End August 2018	End September 2018	End October 2018	-	End November 2018

Objective	Weight	Action	Success Indicator	Unit	Weight	Excellent [100%]	Very Good [90%]	Good [80%]	Fair [70%]	Poor [60%]
To spearhead planning, monitoring, co	55	Conduct evaluation and follow up on recommendations	Number of evaluation of programmes commissioned/conducted/facilitated	Number	4	2	-	-	-	1
To mobilize adequate resources on a timely basis and ensure equitable and efficient allocation.	25	Allocate annual capital grants to Local Governments on time Coordinate and mobilize external resources for financing programs and projects	Timeline by which annual capital grants is allocated to LGs for FY 2018/19 Amount of annual committed funds received for Project Tied Assistance (PTA), Small Development Project (SDP) & Program Grant (PG) Amount of annual committed funds received from other Bilateral DPs (Japan, EU, Austria, SDC) & Multilateral (including Climate Finance such as GCF, GEF, CIF, AF, LDCF)	Date Million Million	5 12 8	February 2018 ≥8000 ≥2400	March 2018 7999-6000 2399 - 2000	April 2018 5999-4000 1999-1600	May 2018 3999-2000 1599-1200	June 2018 <1999 <1200
To formulate and facilitate implementation of targeted poverty reduction programs.	5	Coordinate, implement, monitor and evaluate targeted poverty reduction programs	Percentage of REAP II activities completed	Percent	5	100	≥ 80	≥ 60	≥ 50	<50
To promote effective and efficient direction and operational services	5	To promote effective and efficient direction and operational services	Employee Satisfaction on Administration, HR, Procurement and Finance Services	Percent	5	≥90	≥80	≥70	≥60	<60
To ensure full budget utilization	5	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	5	100	-	-	-	less than 100

Objective	Weight	Action	Success Indicator	Unit	Weight	Excellent [100%]	Very Good [90%]	Good [80%]	Fair [70%]	Poor [60%]
To enable effective and efficient ICT Service delivery	3	Enhance basic ICT skills of non ICT staff members.	Percentage of non ICT staff trained.	Percent	1	50	45	40	35	30
		Improve LAN and internet services	Acceptable downtime of LAN and internet connectivity per incidence	Days	1	1	1.5	2	2.5	more than 2.5
		Ensure compliance to e-GIF standards	Percentage compliance to e-GIF standards	Percent	1	100	-	-	-	less than 100
To implement National Integrity and Anti-Corruption Strategy (NIACS)	2	Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules & its management, Asset Declaration Rules & its management, Conflicts of Interest Declaration & its management, Code of Conduct and Grievance Redress Mechanism)	Percentage of employees sensitized on: - Gifts, Conflicts of Interest, Code of Conduct, Asset Declaration and Grievance Redress Mechanism	Percent	2	Above 90	89-80	79-70	69-60	59 and below

Section 3: Trend values of success indicators

Objective	Action	Success Indicator	Unit	Actual Values [FY 2013-14]	Actual Values [FY 2014-15]	Target Values [FY 2015-16]	Projected Values [FY 2016-17]	Projected Values [FY 2017-18]
To spearhead planning, monitoring, coordination and evaluation of policies, plans and programs.	12th Five Year Plan preparation	Timeline by which final draft of 12th FYP for central agencies and local government is prepared	Date	NA	NA	NA	Preparation of 12th plan guidelines	Finalization of 12th plan for central agencies and local governments
	Formulate, review and commission policies, projects and programs	Percentage of draft policies finalized for submission to GNH Commission	Percent	100	100	100	100	100
		Number of policies reviewed and monitored for coherence and implementation	Number	NA	NA	NA	NA	4
	Review, revise, update and monitor National key Result Areas (NKRAs), Dzongkhag Key Result Areas (DKRAs) and APAs	Timeline by which resource mobilization status for all budgetary agencies for the past 4 FY completed	Date	NA	NA	NA	NA	September 2017
		Timeline by which review of sectors/LGs budget for FY 2018/19 completed	Date	February 2014	February 2015	February 2016	February 2017	February 2018
		Timeline by which annual progress report for 2016-2017 is prepared	Date	NA	November end	December end	October end	November end

Objective	Action	Success Indicator	Unit	Actual Values [FY 2013-14]	Actual Values [FY 2014-15]	Target Values [FY 2015-16]	Projected Values [FY 2016-17]	Projected Values [FY 2017-18]
To spearhead planning, monitoring, coordination and evaluation of policies, plans and programs.	Review, revise, update and monitor National key Result Areas (NKRAs), Dzongkhag Key Result Areas (DKRAs) and APAs	Timeline by which Annual Performance Target for FY-2018/19 for autonomous agencies finalized	Date	-	-	-	-	End February 2018
		Timeline by which mid year review of Annual Performance Target for FY-2017/18 for autonomous agencies conducted	Date	-	-	-	-	End January 2018
		Timeline by which year end review of Annual Performance Target for FY-2017/18 for select autonomous agencies conducted	Date	-	-	-	-	End August 2018
To mobilize adequate resources on a timely basis and ensure equitable and efficient allocation.	Conduct evaluation and follow up on recommendations	Number of evaluation of programmes commissioned/conducted/facilitated	Number	2	3	3	2	2
	Allocate annual capital grants to Local Governments on time	Timeline by which annual capital grants is allocated to LGs for FY 2018/19	Date	January 2014	January 2015	January 2016	January 2017	February 2018
	Coordinate and mobilize external resources for financing programs and projects	Amount of annual committed funds received for Project Tied Assistance (PTA), Small Development Project (SDP) & Program Grant (PG)	Million	3783.87	6185.43	5609.68	19760.04	8000

Objective	Action	Success Indicator	Unit	Actual Values [FY 2013-14]	Actual Values [FY 2014-15]	Target Values [FY 2015-16]	Projected Values [FY 2016-17]	Projected Values [FY 2017-18]
To mobilize adequate resources on a timely basis and ensure equitable and efficient allocation.	Coordinate and mobilize external resources for financing programs and projects	Amount of annual committed funds received from other Bilateral DPs (Japan, EU, Austria, SDC) & Multilateral (including Climate Finance such as GCF, GEF, CIF, AF, LDCF)	Million	2583.739	2328.366	555.806	3400	2400
To formulate and facilitate implementation of targeted poverty reduction programs.	Coordinate, implement, monitor and evaluate targeted poverty reduction programs	Percentage of REAP II activities completed	Percent	NA	100	95	100	100
To promote effective and efficient direction and operational services	To promote effective and efficient direction and operational services	Employee Satisfaction on Administration, HR, Procurement and Finance Services	Percent	NA	NA	NA	NA	≥90
To ensure full budget utilization	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	NA	NA	Na	NA	100
To enable effective and efficient ICT Service delivery	Enhance basic ICT skills of non ICT staff members. Improve LAN and internet services	Percentage of non ICT staff trained. Acceptable downtime of LAN and internet connectivity per incidence	Percent Days	NA	NA	NA	NA	50 1
	Ensure compliance to e-GIF standards	Percentage compliance to e-GIF standards	Percent	NA	NA	NA	NA	100

Objective	Action	Success Indicator	Unit	Actual Values [FY 2013-14]	Actual Values [FY 2014-15]	Target Values [FY 2015-16]	Projected Values [FY 2016-17]	Projected Values [FY 2017-18]
To implement National Integrity and Anti-Corruption Strategy (NIACS)	Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules & its management, Asset Declaration Rules & its management, Conflicts of Interest Declaration & its management, Code of Conduct and Grievance Redress Mechanism)	Percentage of employees sensitized on: - Gifts, Conflicts of Interest, Code of Conduct, Asset Declaration and Grievance Redress Mechanism	Percent	NA	50	70	80	Above 90

Section 4: Definition of Success Indicators

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Timeline by which final draft of 12th FYP for central agencies and local government is prepared	Preparation of the 12th five year plan National Key Result Areas (NKRAs), Agency Key Result Areas (AKRAs), Local Government Key Result Areas (LGKRAs), programs and activities for implementation in the 12th plan	Secondary data.	Annually	12 FYP document.
Percentage of draft policies finalized for submission to GNH Commission	The policies received from agencies for review and submission to the GNH Commission	Secondary data (Draft policies submitted by agencies)	Annually	Administrative data, GNHCS
Number of policies reviewed and monitored for coherence and implementation	Policies reviewed for coherence with other policies and monitored in terms of implementation.	Policy review note	Annually	Administrative Data, GNHCS
Timeline by which resource mobilization status for all budgetary agencies for the past 4 FY completed	Resource mobilisation status in terms of how much of the 11th Five Year Plan activities have been funded for the last 4 years	Record of resource mobilization status	Annually	Administrative data, GNHCS
Timeline by which review of sectors/LGs budget for FY 2018/19 completed	Review of the budget in line with five year plan and annual performance agreement and targets	Administrative data	Annually	Administrative data, GNHCS
Timeline by which annual progress report for 2016-2017 is prepared	Preparation of annual implementation progress report of 11th plan for the FY 2016/17	Secondary data	Annually	Annual Report
Number of evaluation of programmes commissioned/conducted/facilitated	Number of evaluation of programmes commissioned/conducted/facilitated	Nos. of publication (Physical Publication/Soft Copy on website)	Annually	Research and Evaluation Division, GNHCS
Timeline by which Annual Performance Target for FY-2018/19 for autonomous agencies finalized	Review and finalization of the annual performance target of the Autonomous Agencies and Constitutional Bodies which are outside the purview of GPMS	Administrative Data	Annually	Administrative Data, GNHCS

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Timeline by which mid year review of Annual Performance Target for FY-2017/18 for autonomous agencies conducted	Review of the annual performance target of the Autonomous Agencies and Constitutional Bodies which are outside the purview of GPMS after six months from the beginning of the financial year and conduct mid-course corrections.	Administrative data	Annually	Administrative data, GNHCS
Timeline by which year end review of Annual Performance Target for FY-2017/18 for select autonomous agencies conducted	Evaluation of the annual performance target of the Autonomous Agency/Constitutional Bodies to assess their performance for the financial year in reference.	Administrative data	Annually	Administrative data, GNHCS
Amount of annual committed funds received for Project Tied Assistance (PTA), Small Development Project (SDP) & Program Grant (PG)	Ensure annual committed funds for Project Tied Assistance, Small Development Projects and Program Grants are received on time and released to implementing agencies/sectors/LGs	Records of fund disbursement from GoI	Biannually	Cheques received from GoI, Commonwealth Secretariat Debt Recording and Management System (CSDRMS)
Amount of annual committed funds received from other Bilateral DPs (Japan, EU, Austria, SDC) & Multilateral (including Climate Finance such as GCF, GEF, CIF, AF, LDCF)	Ensure annual committed funds from bilateral and multilateral development partners are received on time and released to implementing agencies/sectors/LGs	Records of fund disbursement from bilateral and multilateral development partners	Quarterly	Cheques received from Bilateral and Multilateral, Commonwealth Secretariat Debt Recording and Management System (CSDRMS)
Percentage of REAP II activities completed	The measurement of the progress will be against the approved annual work-plan both in terms of financial and physical progress.	Annual Physical and Financial Progress Report submitted to PMU from Dzongkhags and Tarayana Foundation	Annually	Administrative Data and Progress Report

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Employee Satisfaction on Administration, HR, Procurement and Finance Services	To assess the quality of services provided by Secretariat Services Division.	Survey	Annually	Survey Result
Percentage of annual budget utilization	This indicator measures the amount of variation between revised budget and expenditure of an agency for a fiscal year	Through analysis of annual revised budget and expenditure	Annually	MYRB
Percentage of non ICT staff trained.	This success indicator measures the percentage of staffs other than ICT professional provided with training on basic ICT skills. This will reduce the turn around time of providing basic troubleshooting services. The training will be provided by ICT Division	Admin records on training conducted	Biannually	Ministries/Age ncies/Thromde s/Dzongkhags
Acceptable downtime of LAN and internet connectivity per incidence	This success indicator measures the minimum downtime of LAN and internet connectivity in Ministries/Agencies/Thromde/Dzongkhag administration office.	Ministries/Agencies/Thromdes/Dzongkhag records	Monthly	Ministries/Age ncies/Thromde s/Dzongkhags
Percentage compliance to e-GIF standards	This success indicator measures and ensures that Ministries/Agencies/Thromdes/dzongkhags comply to e-GIF standards in all ICT related activities.	records of e-GOV review meetings	Biannually	Ministries/Age ncies/Thromde s/Dzongkhags

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
<p>Percentage of employees sensitized on:</p> <ul style="list-style-type: none"> - Gifts, Conflicts of Interest, Code of Conduct, Asset Declaration and Grievance Redress Mechanism 	<p>This indicator will measure the proportion of employees sensitized through face to face sensitization program on the above mentioned Ethics and Integrity Management Tools.</p> <p>The indicator will assess both the proportion of employees sensitized and the level of awareness created among the employees on the tools. Of the total weightage (100 percent), 40 percent is assigned on the delivery part and 60 percent on the level of awareness created. Further 40 percent weightage is apportioned as:</p> <ol style="list-style-type: none"> 1) No. of tools sensitized – 5 tools (10%); 2) Mode of Delivery - face to face sensitization program (10%); 3) Duration - one day or more (10%); and 4) Percent of employees sensitized – 80 & above (10%). <p>The agencies will report on the above weightage (40 percent) using the standard form developed by ACC</p>	<ul style="list-style-type: none"> • Supporting documents from the agencies • Questionnaire based desk survey 	Annually	Admin Data

Section 5: Requirements from other Ministries, Agencies & Dzongkhags

Organisation Name	Relevant Success Indicator	Requirement from the Organisation	Justification for the Requirement	Requirement detail	Impact (If Not Met)
All Ministries	Timeline by which final draft of 12th FYP for central agencies and local government is prepared	Central Agencies to issue the technical guidelines by end of Jan 2017. In addition, timely guidance for vertical harmonization.	To align LGKRAs, Plans and Programs of LGs to NKRAs and AKRAs	Technical guideline by end of Jan 2017.	Risk indicator not being achieved/delay in finalization of 12th plan
All Dzongkhags	Timeline by which final draft of 12th FYP for central agencies and local government is prepared	Finalise LGKRAs by March 2017 and draft 12FYP of LGs by Oct, 2017 as per 12 FYP Guideline.	If LGKRAs are not finalized by March, 2017, preparation of programs and activities for draft 12 FYP will be delayed.	Finalise LGKRA by March 2017 and draft 12 FYP of LGs by Oct, 2017 as per 12 FYP Guideline.	Risk of indicator not being achieved/delayed
MINISTRY OF FINANCE	Timeline by which review of sectors/LGs budget for FY 2018/19 completed	Budget Call Notification to be issued within January 2018 from DNB.	To enable timely preparation of Annual Workplan/Budget.	Budget Call Notification within January 2018.	Risk of indicator not being achieved/delayed
MINISTRY OF FINANCE	Timeline by which annual capital grants is allocated to LGs for FY 2018/19	The Capital Grant ceiling for LGs from MFCC by January to enable formula based allocation. Annual Grants of the 1st FY AWP of 12 FYP to be approved by the Government.	The Annual Planning and Budgeting takes place in February and if the indicative overall capital ceiling is not received from MFCC, the whole process will be delayed.	Indicative Capital Figure in January 2018.	Risk of indicator not being achieved/delayed.
MINISTRY OF FINANCE	Timeline by which resource mobilization status for all budgetary agencies for the past 4 FY completed	DPA (MoF) to provide the expenditure statement for the past fiscal year.	If MoF do not provide the expenditure statement, then GNHC may not be able to provide correct resource mobilization status.	Expenditure statement for the past fiscal year.	Risk of indicator not being achieved/delayed.

Organisation Name	Relevant Success Indicator	Requirement from the Organisation	Justification for the Requirement	Requirement detail	Impact (If Not Met)
MINISTRY OF FINANCE	Employee Satisfaction on Administration, HR, Procurement and Finance Services	Timely release of fund and budget incorporation.	Delay in release of funds may hamper timely implementation of activities and clearance of pending bills.	Timely release of fund and budget incorporation.	Risk of indicator not being achieved/delayed.
All Ministries	Percentage of draft policies finalized for submission to GNH Commission	Timely submission of draft policies for review and submission to GNH Commission	RED, GNHCS will submit the final draft policies to Secretary Level Meeting for final deliberation and consideration for submission to GNH Commission.	Active participation and timely submission of draft policies for review.	The sectors may not submit the draft policies on time and it may happen toward the end of FY.
All Dzongkhags	Percentage of REAP II activities completed	Implementation of REAP activities by Dzongkhags and Gewogs in REAP identified villages as per the annual work plan prepared by Dzongkhags and Gewogs.	Actual implementation is done by the Dzongkhags and Gewogs.	Continuous monitoring and feedback from the Dzongkhags and Gewogs on implementation of REAP II activities.	It may hamper the objectives of reducing poverty in Dzongkhags and Gewogs.
All Ministries	Amount of annual committed funds received for Project Tied Assistance (PTA), Small Development Project (SDP) & Program Grant (PG)	Timely submission of progress report and utilization certificate.	For timely release of fund.	Quarterly progress report.	Delay in release of fund from the donors.
All Ministries	Amount of annual committed funds received from other Bilateral DPs (Japan, EU, Austria, SDC) & Multilateral (including Climate Finance such as GCF, GEF, CIF, AF, LDCF)	Timely submission of progress report.	For timely release of funds.	Quarterly progress report.	Delay in release of fund from the donors.

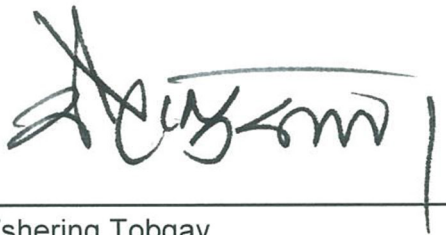
Organisation Name	Relevant Success Indicator	Requirement from the Organisation	Justification for the Requirement	Requirement detail	Impact (If Not Met)
All Dzongkhags	Amount of annual committed funds received for Project Tied Assistance (PTA), Small Development Project (SDP) & Program Grant (PG)	Timely submission of progress and fund utilization status agreed with development partners.	The periodicity of progress reporting will be as per the Agreement with development partners for timely release of funds.	Financial and physical progress report of activities for further submission to donors.	This will affect the timely release of funds.
All Dzongkhags	Amount of annual committed funds received from other Bilateral DPs (Japan, EU, Austria, SDC) & Multilateral (including Climate Finance such as GCF, GEF, CIF, AF, LDCF)	Timely submission of progress and fund utilization status as in agreement with development partner	The periodicity of progress reporting will be as per the Agreement with development partners for timely release of funds	Financial and physical progress report of activities for further submission to donors	This will affect the timely release of fund

Whereas,

I, the Secretary, Gross National Happiness Commission , commit to the Prime Minister, the Government and the people of Bhutan to deliver the results described in this Annual Performance Agreement.

I, the Prime Minister, commit to the Secretary, Gross National Happiness Commission , on behalf of the Government and the people of Bhutan, to provide the necessary fund and resources for delivery of the results described in this Annual Performance Agreement.

SIGNED:



Tshering Tobgay
Prime Minister of Bhutan

2.8.17

Date



Thinley Namgyel
Secretary

2/7/2017

Date