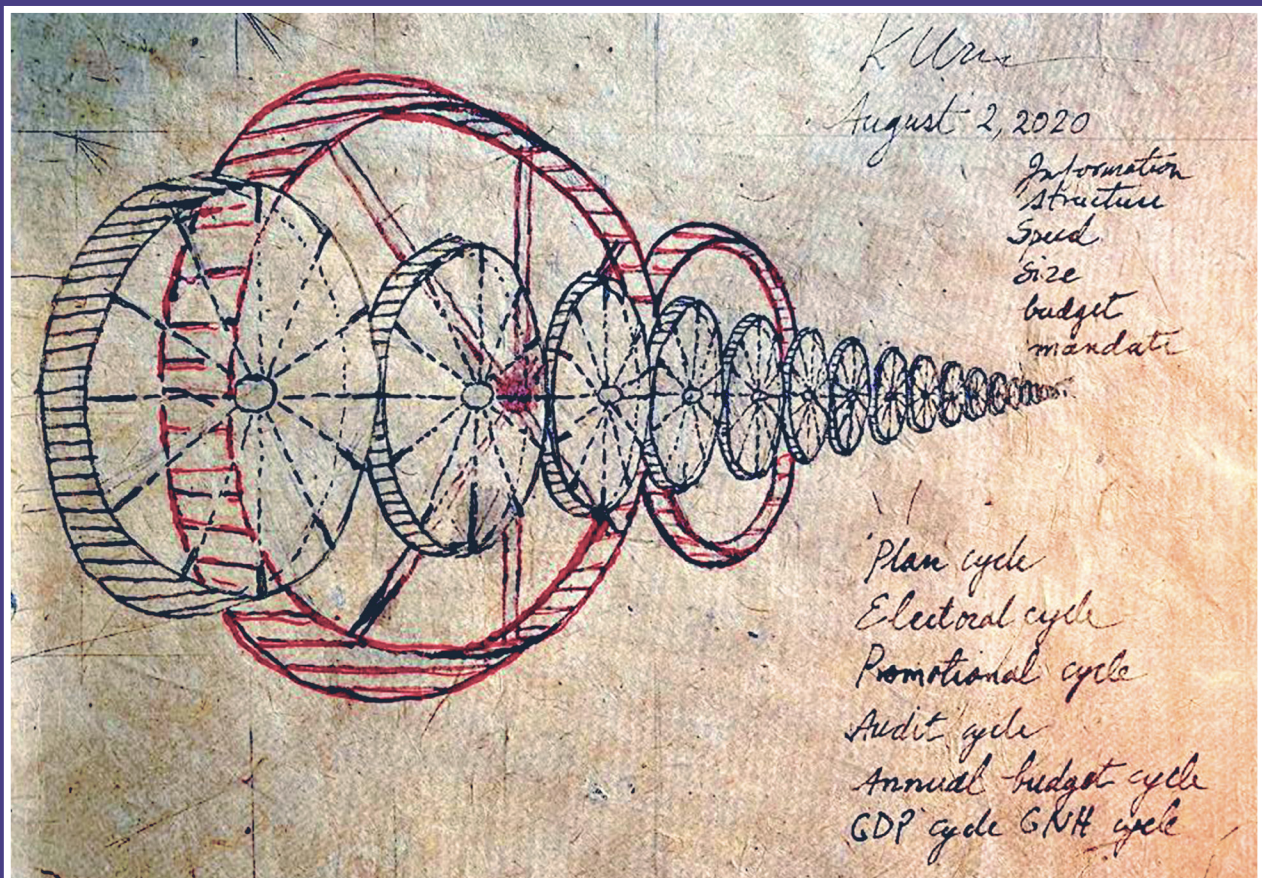


A Review of Planning System in Bhutan

*With reference to election cycle, development partners'
coordination, and budgetary expenditures*

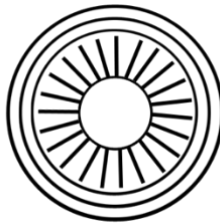


Dechen Wangmo
Sangay Chopel
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Centre for Bhutan & GNH Studies

A Review of Planning System in Bhutan

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Preface

This report is a review of the planning system in Bhutan, with reference to election cycle, development partners' coordination horizon, and budgetary expenditures, conducted by a group of civil servants based in Zhichenkar. The study began as soon as an official order was issued by the Honourable Prime Minister of Bhutan to me. The report was completed in 40 days.

The report covers an assessment on the duration of projects implemented in the five-year plan period, examines whether the plan cycle of development partners is in line with five-year plan, explores the alignment of election cycle and plan cycle, and reviews whether a spatial planning exists within current practice.

The other task issued in the official letter was to assess the National Accounting system but it could not be carried out as officials from the core cooperating agencies dealing with national accounts have not been part of the exercise. Their role could be integral to such an exercise.

We thank Honourable Prime Minister of Bhutan, Dr. Lotay Tshering, for extending his support to the group and Cabinet Director, Chencho, for his guidance.



Dasho Karma Ura (PhD)
President
Centre for Bhutan & GNH Studies

Assessment of Actual Project Implementation Duration to Study Significance of the Five Year Planning Period

*Dechen Wangmo**

Summary

With a Five Year Plan (FYP) guiding Bhutan's developmental processes, it is perceived that a FYP would ensure that projects durations are guided by the FYP planning period. However, in practice, it is observed that projects have varying life cycle and does not necessarily align with FYP time frame. This paper studied the budget and expenditure data of all Financing Item Codes (FICs) of projects implemented in the 11th and 12th FYP, with the objectives to analyze actual duration of implementation of projects, time alignment of projects to FYP and relationship of project implementation duration to fund size with the intention to recommend a specific alternative plan duration. The findings indicate that a FYP plan does not mark the beginning and end of donor projects and RGoB funded activities. Rather, projects and activities have their own life cycle of varying durations with average duration of 2.6 years and major chunk of projects concentrate under three years duration, with 25.9% spillover of donor projects from 11th to 12th FYP. Fund size of projects increase with increase in duration of implementation. Therefore switch to a three-year plan cycle from five-year plan cycle is recommended.

Keywords: Five Year Plan (FYP), Financing Item Codes (FICs), project implementation duration, average implementation duration, spillovers, fund size, three-year plan cycle

Issue

The Five Year Planning System (FYP)¹ has been guiding Bhutan's socio-economic development since the inception of the First Five Year Plan in 1961. It provides an overarching framework and timeframe in guiding the rest of the developmental processes with respect to priority setting as well as beginning and end of any other developmental programs or projects.

Although FYP would mandate that projects durations are guided by the FYP planning period, notwithstanding to the fact that many projects start with commencement of a FYP, many donor projects are formulated after FYPs are launched and put into implementation making project formulation a continuous ongoing process throughout any FYP. However, with the presence of a FYP system guiding the country's developmental processes, it is perceived that donor projects have temporal alignment with FYP duration.

While the five-year planning system served its purpose, since the introduction of democratic constitutional monarchy in 2008, the system has not been able to cope with the evolving needs of both the new form of governance cycle and the every changing needs of the economy and citizens. These have led to a rethink of the relevance of the five-year planning system and explore a more effective alternative.

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¹ Bhutan's developmental process is guided by a Five Year Plan (FYP) with beginning of first FYP in 1961. Its current FYP is 12th FYP which commenced in 2018 and will end in 2023.

Background

As a donor dependent economy, the Five Year Planning process has been largely dependent on development partners for both resources and technical expertise. There are 49 bilateral and multilateral development partners supporting Bhutan's development activities through various projects. For the 12th FYP, grant constitutes about 20% of total expenditure and about 55% of capital expenditure (GNHC, 2021, p.7). At the beginning of a FYP, Round Table Meetings (RTMs)² are held with donors to sensitize the development partners on developmental status, priorities and resource gaps. RTM is held once more in the middle of the FYP process to update the development partners on the development progress and review challenges and priorities (GNHC, 2019, p.4).

With FYP playing an overarching role in the country's developmental processes, it is perceived that all project cycles begin and end with a FYP cycle with seamless time alignment. There are many projects beginning with commencement of a FYP, however there are also many donor projects that are launched and put into implementation in the middle of a FYP making project formulation a continuous ongoing process throughout any FYP. Therefore there is an urgent need to study the actual implementation duration of donor projects, their time alignment with FYP cycle and their relationship between fund size and duration of implementation.

In order to understand the actual project implementation duration for both donor and RGoB, it is critical to look at the budget and expenditure report of Ministry of Finance (MoF) where there is detailed information on each budget release against a project. A unique Financing Item Code (FIC) identifies each project.

How are Financing Item Codes (FIC) allocated and classified?

Development projects are conceived and initiated by implementing agencies - ministries, autonomous agencies and NGOs. Projects to address cross-sectoral developmental issues are formulated by GNHC.

All donor projects proposed by implementing agencies to seek external fund support are assessed by GNHC to ensure alignment with FYP programs and partnership objectives of the identified development partners.

Upon finalization of the project formulation and approval processes, GNHC allocates unique Financing Item Codes (FIC) to each donor project that any implementing agency signs for execution and funds are released against the FIC annually.

The four digit FICs were allocated sequentially starting from 0001. 0001-0034 is allocated to RGoB financing. Rest of the sequence of FICs is allocated to donor projects as and when a project document is signed.

Each FIC allocated is unique to a project and classifies an individual project into a single entity. The purpose of FICs is to be able to keep record of each budget release for a project, thereby ensuring that every penny is accounted for.

² Round Table Meetings (RTMs) RTMs were initiated in the early 1980s as an important forum for policy dialogue and aid coordination, and are held twice over the course of a FYP period.

Observations from the study on expenditure and budget report of each FIC

i) Average project implementation period

Upon studying the budget released against each FIC in the budget and expenditure data, the average donor project implementation period is 2.6 years for 11th FYP and 2.2 years for 12th FYP.

Table 1. *Mean implementation period*

FYP	Mean	Standard Deviation	Coefficient of Variation
11th FYP	2.6	1.24	48.50
12th FYP	2.2	0.89	40.10

ii) Project duration in 11th FYP

The average duration of donor projects for 11th FYP is 2.6 years.

The standard deviation is 1.24 showing a higher degree of variability of project implementation duration. Within one standard deviation, there are only 56% of projects [1.36 (2.6-1.24) and 3.84(2.6+1.24 years)] as opposed to the 68 % rule of a normal distribution.

The coefficient of variance (CV) is 48.50.

SD and CV findings indicate a higher variation in project implementation duration from one to five years. However, since the mean implementation duration is 2.6 years, variation could be low if project implementation duration is reduced to around three years.

$$\begin{aligned}
 \text{Coefficient of Variation (CV)} &= (\text{Standard Deviation} / \text{Mean}) * 100 \\
 &= (1.2405 / 2.6) * 100 \\
 &= 48.5
 \end{aligned}$$

iii) Number of projects against duration

As shown in Figure 1 and 2, in the 11th FYP, a total of 1097 donor projects were implemented. Out of these 232 (21.2 %) numbers of projects were implemented in zero to one year time period. Three hundred and eighty-three (34.9%) projects were implemented in one to two years time period, 234 (21.3%) projects were implemented in two to three years time period, 134 (12.2%) projects were implemented in three to four years time period, and 114 projects (10.4%) projects were implemented in four to five years time period.

In the 11th FYP, 77.4% of projects donor concentrate under three years implementation period.

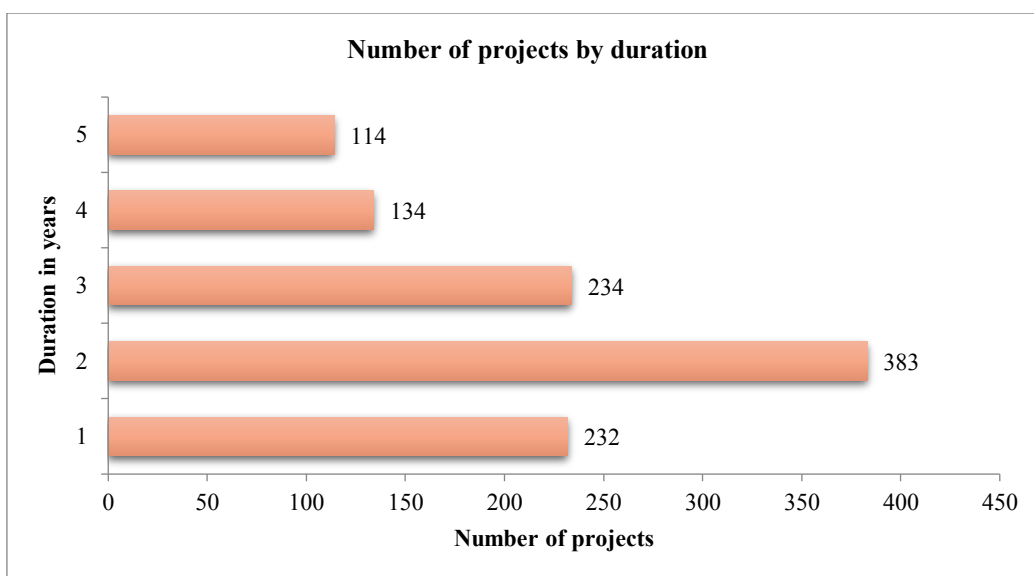


Figure 1. Number of projects against duration for 11th FYP

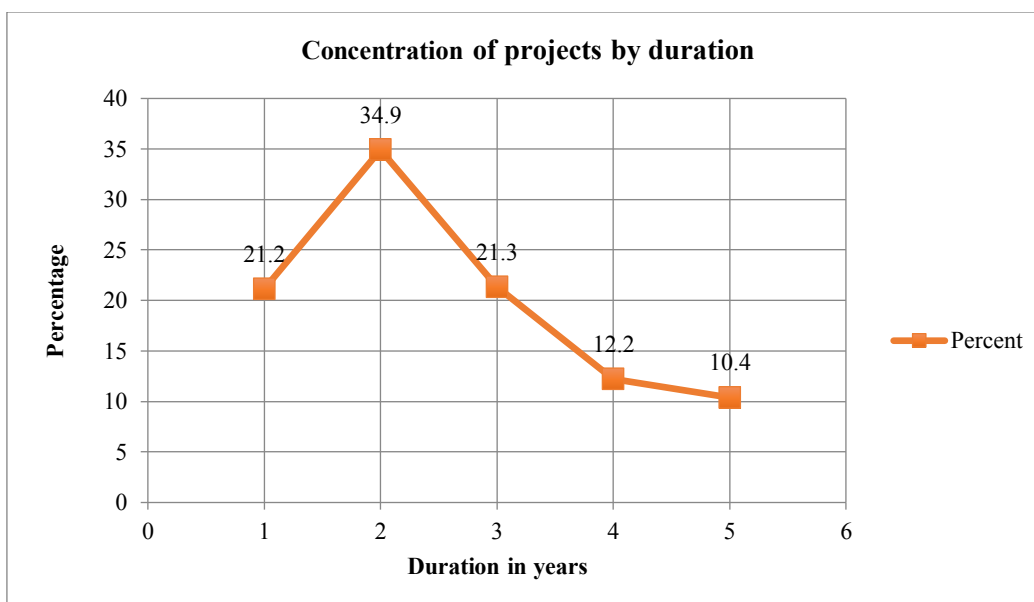


Figure 2: Concentration of projects by duration for 11th FYP

As indicated in Figure 3 and 4, from the beginning of 12th FYP until this financial year, a total of 1311 donor projects were implemented. Out of these 299 (22.8%) numbers of projects were implemented in a zero to one year time period. Five hundred and thirty-eight (41%) projects were implemented in one to two years time period, 367 (28.3%) projects were implemented in two to three years time period, and 107 (8.2%) projects were implemented in three to four years time period.

In the 12th FYP, 91.8% of donor projects concentrate under three years implementation period.

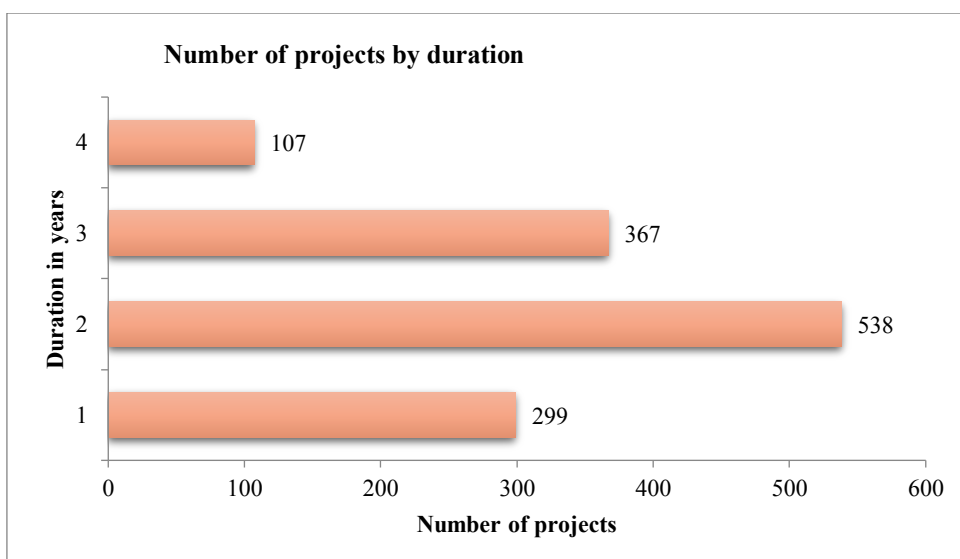


Figure 3. Number of projects against duration for 12th FYP

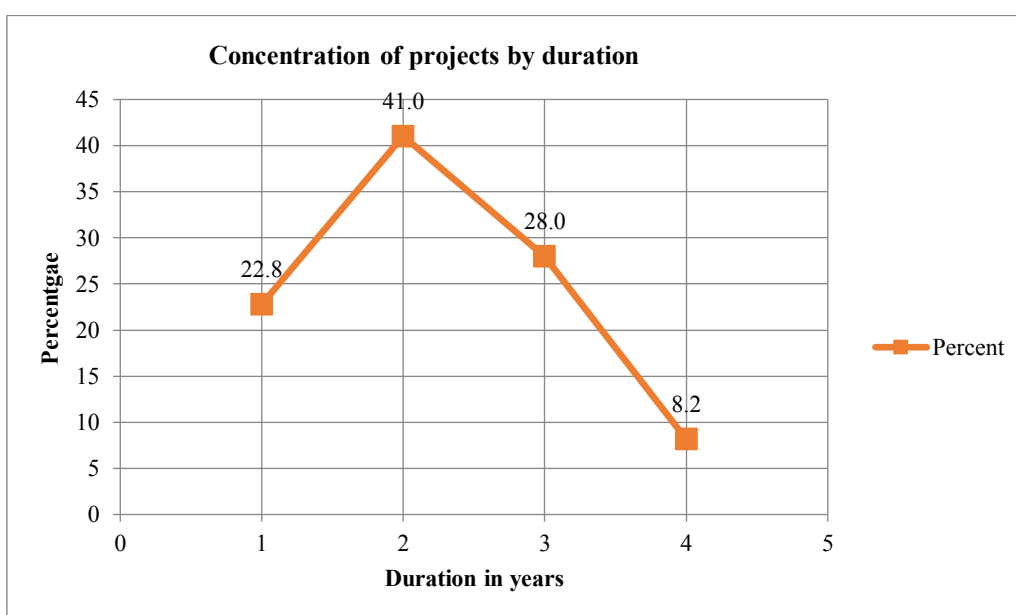


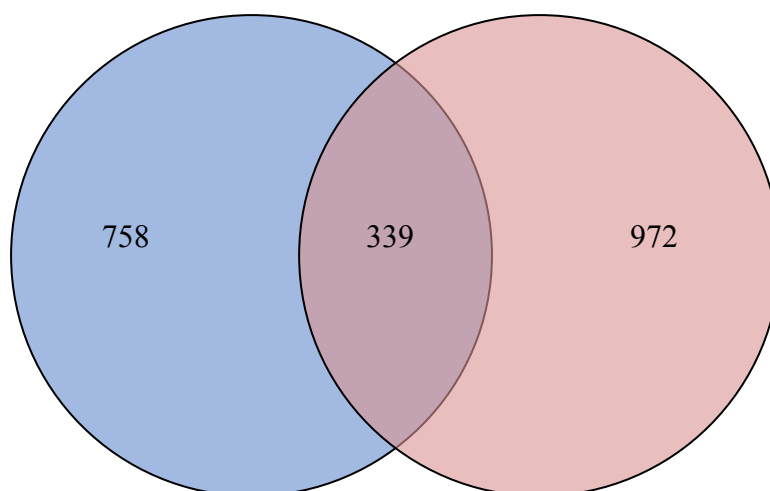
Figure 4. Concentration of projects by duration for 12th FYP

iv) Projects spilled over from 11th FYP to 12th FYP

As shown in Figure 5, out of 1097 donor projects formulated in 11th FYP, 768 projects were completed within 11th FYP, whereas 339 projects spilled over to 12th FYP. Out of 1311 projects implemented in 12th FYP until FY 2021-2022, 339 projects (25.9%) are spillovers from 11th FYP.

Within the 12th FYP period, 74 donor projects were formulated from FY 2019-2020 to FY 2020-2021 even though the 12th FYP commenced in FY 2018-2019 (GNHC, 2021).

Total number of projects = 2069



Projects in 11th FYP=53%

0%

Projects in 12th FYP=63%

Figure 5. Projects spilled in from 11th FYP to 12th FYP

v) Project implementation duration versus budget

Table 2. Duration of projects against amount

Duration of Projects (years)	Average amount in Billions (Nu.)	Median	Min	Max	Number of projects	Total cost
1	8.95	2.99	0.000	481.79	325	2,908.62
2	26.43	10.17	0.000	2,115.53	820	21,675.27
3	50.69	17.5	0.357	1,789.06	543	27,526.83
4	82.50	44.8	0.802	672.13	143	11,797.83
5	181.39	67.76	2.075	1,384.92	88	15,962.41
6	253.04	124.1	1.595	2,138.21	49	12,398.96
7	582.06	297.9	4.430	3,789.91	37	21,536.39
8	484.64	57.76	2.075	1,646.18	25	12,116.11
9	424.1	130.53	8.922	5,067.88	39	16,539.98
Total	68.85	12.86	0.000	5,067.88	2,069	142,462.40

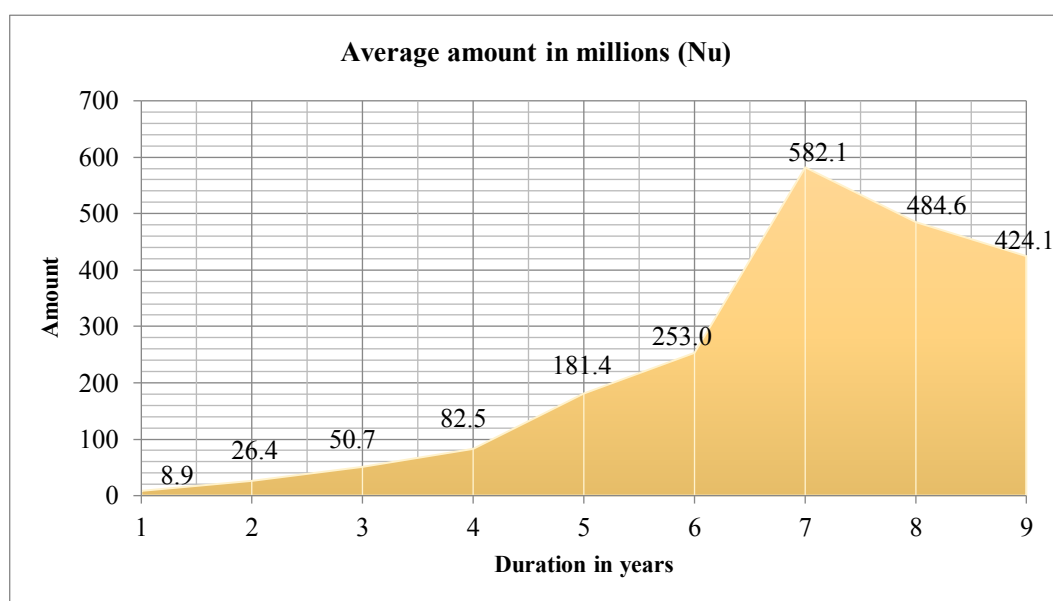


Figure 6. Duration of projects against amount

As shown in Table 2 and Figure 6, the amount of budget increases with the increase in implementation duration of donor projects.

If the plan period is to be changed to three years, projects with fund size of 50.7 millions or less will be able to complete within three years implementation duration. It will not be feasible to make projects with fund size more than 50.7 millions to complete in three years time period.

vi) Implementation duration for RGoB projects

In case of RGoB projects/activities, as elaborated in methodology, three generic FICs are allocated to types of RGoB funding viz:

1. 0001: fully financed by RGoB,
2. 0002: donor projects with RGoB contribution and
3. 0003: projects previously funded by donors but currently funded by RGoB and projects funded by donors with top up by RGoB funding.

Within these FICs, it is observed that activity and sub-activity codes keep changing in each financial year, except for a handful of activities that span over several years. For example, Wangdiphodrang Dzong construction spanning over nine years, Sarpang Dzong construction spanning over seven years.

This indicates that all other activities are completed within one year time period. Therefore, RGoB activities are annually planned and implemented and not anchored by FYP duration in terms of time frame.

Outline of policy options

The following are the course of actions decision makers can take:

1. Switch to a three-year planning cycle from a five-year planning cycle
2. Continue with the present system of five yearly planning system

Description of policy options

1. Switch to a three-year planning cycle from a five-year planning cycle

With an average implementation duration of projects at 2.6 years, it suggests that a three-year planning cycle can replace the five-year planning system.

Since 77.4% of donor projects for 11th FYP and 91.8% of donor projects concentrate under three years implementation period, a large share of these projects will be able to seamlessly align their implementation duration with the beginning and end of country's overarching three years planning system. The three-year planning system will also provide flexibility for the government of the day to quickly integrate its development manifesto into annual plans and budget.

However, if a three-year planning system is instituted, donor project formulation cycle must be aligned to it. It will be critical to note that donor projects are also formulated in the middle of a FYP. According to GNHC in 2021, 74 donor funded projects were formulated in the middle of 12th FYP. Only after a FYP document is ready, strategic documents with donors are signed and projects with different life cycles are formulated (Tshewang Choden, Sr. Planning Officer, personal communication, October 15, 2021). Therefore this merits an in depth study on whether it is feasible to bring about seamless alignment of donor projects with a three-year planning system in terms of time frame.

If the plan period is to be switched to three years, donor projects with fund size of 50.7 millions or less will be able to complete within three years implementation duration. It will not be feasible to make projects with fund size more than 50.7 millions to complete in a three years time period. Donor projects of fund size 252.1 million or 582.06 million will have to be approached with a multiyear implementation system.

Since donor projects duration ranges from one year to several years within and across FYPs, for donors it does not really matter whether Bhutan has a five-year or a three-year plan cycle. Their strategy will accordingly be adjusted with Bhutan's plan duration. Even currently, projects that spread over several years do not have time alignment with FYP.

If three-year planning cycle is introduced, the present practice of instituting project steering committees in terms of its need and efficiency could be assessed.

Planning and budgeting of projects could be better integrated. Agencies responsible could work closely and ensure maintaining timely and accurate planning and budget data.

A three-year planning cycle will require a rigorous planning and efficient manpower, which will require strengthening the Policy & Planning Division in GNHC and across agencies including the local governments.

2. Continue with the present system of five yearly planning system

If status quo is maintained, it is important to note that a FYP doesn't have time alignment with donor project duration.

Even if a FYP is kept as it is, since there are also donor projects which extend beyond five years to several years, spillovers will continue from one FYP to the next. Out of 1311 donor

projects in 12th FYP, 339 projects are spillovers from 11th FYP, which indicates that 25.9% donor project implemented in 12th FYP are spillovers and are not part of priorities of the current plan. This means government of the day will be burdened with implementation of spillovers and not have higher flexibility in implementing the FYPs priorities. Since there are more donor projects in 12th FYP compared to 11th FYP, there could be more spillovers to 13th FYP.

Since many donor projects commence in between a FYP, this will further perpetuate the misalignment of FYP cycle to project cycle and the spillover effect.

If the FYP continues, donors and agencies might view projects which could actually take lesser duration as requiring of five years leading to in efficiency of implementation time and manpower utilization.

On similar notes, in a five-year planning cycle, the process of reprioritization of strategies, priorities and resources for projects will take up longer time because agencies wait till the MTR and RTM reducing flexibility of implementation.

Recommendation

Switching to a three-year planning cycle is recommended. Notwithstanding the fact that donor project implementation duration ranges from one year to several years, the mean implementation period is 2.6 years and major chunk of donor projects (77.4% of projects for 11th FYP and 91.8% of projects for 12th FYP) have implementation duration of less than three years. Meanwhile for those donor projects which begin in the middle of a plan and those which spillover to the next plan, separate study is recommended as to whether and how projects of such nature must align with a three-year planning cycle, owing to differing factors of donor cycles, donor strategies and nature of projects.

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Development Partners and Five-Year Plan of Bhutan

Rinchen Wangmo and Shacha Chap***

Summary

Since the inception of the first five-year plan in 1961, Bhutan has implemented a total of twelve five-year plans so far. The success of five-year plans can be seen in the growth of gross domestic product (GDP) to USD 3129.86¹ in 2020 from USD 51² in 1961. While the FYP has served as a road map to consistent progress, much of its success can be attributed to our visionary leaders, collective hard work of the people, and financial and technical support from the development partners³. However, different Development Partners (DPs) follow their own respective planning period which does not necessarily align with Bhutan's five-year planning cycle. Further, different development partners have their own area of interest while the five-year plan also comes with its own development goal.

Therefore, it is imperative to study the alignment of Development Partners' plan and country's development plans for progressive results. Hence, for the purpose of the study, the strategic plan documents of selected Development Partners were reviewed to study the alignment of their plans with the country's 12th FYP. Additional primary data on development partner's plan duration collected from the Gross National Happiness Commission of Bhutan were analysed. The findings reveal that development partners align their plan strategy with the country's existing plan duration. However, development partners aid is program/project based and therefore aid is provided to attain shared development objectives of both donor and recipient country. Therefore, a change in the country's development plan duration would not result in the misalignment with the development partners plan.

Keywords: Five-year plan, development partner, strategic plan, development, planning duration

Issue

Bhutan has been following a five-year plan cycle since the inception of the first five-year plan in 1961. However, different Development Partners (DPs) follow their own respective planning period which does not necessarily align with Bhutan's five-year planning cycle. Further, different development partners have their own area of interest while the five-year plan also comes with its own development goal. The question then is whether Bhutan's development planning should be based on the development partners period of when they give aid or should it be based on the election cycle of Bhutan i.e., for five years - the current practice.

Another interesting part is in the Local Government (LG) election, although for five years, it does not align with the FYP and parliamentary election cycle. The issue here is, the second local government election started from 2016-2021 while the 12th FYP started from 2018-2023.

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¹ NSB, <https://www.nsb.gov.bt>

² *Bhutan 2020: A Vision for Peace, Prosperity and Happiness*, Bhutan: Planning Commission, Secretariat.

³ 14th Round Table Meeting (2019), Enhancing Happiness and Sustainable Development through Partnerships.

The LG term ends in the middle of the 12th FYP which creates discrepancy between the two planning cycles and results in weak ownership of plans. Moreover, Nu. 50 billion is allocated to LGs in the 12th FYP⁴ but it is allocated as annual block grants. Therefore, LGs follow their annual plan.

In addition, the budget for the planned activities for the five year is already allocated with little room for flexibility. Following a five-year planning cycle also does not consider unavoidable and unforeseen situations that might arise in mid-planning cycle requiring huge adjustments and re-appropriation of the allocated budget. For instance, during the covid-19 pandemic, a lot of activities needed to be re-planned and budget re-allocated to priority sectors such as health. Therefore, there is a need to review the five-year planning mechanism and its effectiveness. Further, a study needs to be carried out to find any discrepancy between the planning of Development Partners and FYP of Bhutan to explore better alternatives to dynamic and instantaneous planning.

Background

In 1961, structured planning called Five-Year Plan (FYP) was introduced by His Majesty the King Jigme Dorji Wangchuck. When talking about the genesis of the five-year plan in the country, one must understand the situation that was prevailing around the 1900s. According to Agarwal (1983), since the 1950s there were 300 different types of plans followed in the world. He argues that the development plans gained popularity mainly due to three reasons: a) Soviet Union's success of five-year plan, b) The United Kingdom's experiences on resources sharing during World War II and the success of the government control on relieve aid that came through the Marshall Plan and, c) structuralist orientation of development economies (Agarwal, 1983). In the same paper, Agarwal (1983), mentioned that in the context of mixed economies, India was pioneered in development planning and it was influenced by the Soviet Union's FYP. After independence, Indian officials regularly visited the USSR and learned their experience in implementing FYP. Basically, socialist economies of Europe and Asia drew their idea of planning from the Soviet Union.

Agarwal (1983) grouped the different types of plans spread across the world broadly in three types due to variation in their intentions and achievements. The first one is Asia, eastern Europe and northern Africa, where their plans were comprehensive and dirigiste. As these areas are located in the sub-soviet belt, he argues that it was strongly influenced by the Soviet success and Fabian socialism. Second in sub-Saharan Africa and the Caribbean area where most of the countries were colonized and depended on the aid followed the colonial planning methods, and third, the plans followed in Latin American - preliminary focused on industrialization.

Bhutan being located in south-east Asia might have been influenced by the Soviet and Fabian socialism planning style because during that era their planning was prominent in Asia. In addition, the Government of India (GoI) fully supported the implementation of the first and second Five-Year Plan of the country. After becoming the United Nations (UN) members in 1971, UN's agencies have funded 3% from the total outlay for the third FYP (GNHC, 2019). Chronologically, India was the first development partner in the country followed by the UN's agencies.

⁴ 12th Five Year Plan, 2019. Gross National Happiness Commission, Volume II

According to IGI Global (n.d), the ‘Development Partners’ are defined as any state, organization, or institution committed to assist the other countries in the development processes. There are about 49 development partners consisting of multilaterals, bilateral and private NGO organizations supporting the 12th FYP. The Development Partners have played a significant role in shaping the country in all the sectors, mostly through the Official Development Assistance (ODA). They are more critical in addressing fundamental structural challenges when the country plans to graduate from the Least Developed Countries (LDC) in 2023⁵. For instance, in the 12th FYP, from the total budget outlay of Nu 310 billion there was a deficit of Nu. 29.2 billion⁶ and this will be bridged through the bilateral and multilateral partners via various schemes.

Operation of five-year plan

In the quest to catch up with the developed nations by improving their economic status, countries strive for economic growth. Similarly, Rostow’s Model prescribes a “unilinear pattern/stages that countries could follow in order to achieve ‘ideal’ (Westernised) development and as a way of evolving from a state of ‘backwardness’” (Heywood, 2013). Therefore, countries adopted planned development which would result in economic growth. For instance, Turkey’s first Five-Year development plan aimed at increasing the Gross National Product of “7% compounded annually” (Fry, 197, p.308). Similarly, India started its five-year plan to double the national income in 20 years and per capita income in 25 years (Sarma, 1958). Bhutan’s first five-year plan started in 1961 also aimed at improving the economic status of the country and focused on infrastructure development, mainly road construction.

Although the majority of nations have adopted five-year plans with similar objectives to accelerate their economic growth, the execution and operation of the FYPs vary based on respective country. For instance, the Soviet Union’s first five-year plan was based on Professor Wassily Leontief’s Input-output Analysis which “determine the total outputs of different sectors that must be produced in order to meet given requirements for deliveries by those sectors to final “consumers” (Bergson, 2000, p. 467). Similarly, China’s FYP was inspired by Soviet Union’s planning model. However, China’s FYPs have undergone a series of operational changes. “China’s Five-Year Plan (FYP) is not actually a single, coherent plan, nor is it even fully contained within a discrete five-year period. Rather than a static policy blueprint, the Five-Year Plan is better thought of as an evolutionary planning and policymaking process” (Melton, 2015, p.2). India’s FYP used the Harrod-Domar Growth Model in which the economy is split into public and private sectors to study and calculate required investment and forecast expected revenues (Raj, 1961). Turkey also started its first five-year plan in 1963 and the quinquennium was drawn on three-stage basis: 1) macroeconomic stage, 2) sectoral level based on input-output table, and 3) project stage.

The FYPs are mostly complemented with foreign aid from various Development Partners that finance the planned development activities through various types of programs and projects. Bhutan being a donor dependent country, Development Partners play a vital role in financing development activities by supporting programs and activities of the FYP.

⁵ It is reported on the preparation of Bhutan’s Transition Strategy from the Least Developed Countries category, 2020. Available at <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-2021-Bhutan-transition.pdf>

⁶ 12th Five Year Plan, 2019, Gross National Happiness Commission, Volume II

Donor Aid Process in Bhutan

In Bhutan, Development Partners (DPs)'s aid is either donor driven or demand driven. Bhutan receives donor aid from DPs in two ways: 1) donors inform the recipient country of their availability of funds for specific objectives they are interested to support. Bhutan then proposes a matching project to be funded by the donor. 2) Another way is the recipient country's demand/need driven. Agencies propose development projects to Gross National Happiness Commission (GNHC) to seek funding support. GNHC then screens the proposal to see if it is in line with development philosophy of GNH and FYP goals and objectives. After the screening is done, GNHC solicits funding support from donors who share similar objectives as the proposed project as shown in the figure 1. GNHC plays a vital role in aligning Development Partner's objectives with the country's existing goals and plan. This decreases discrepancy or misalignment between the donor plan and the FYP of Bhutan.

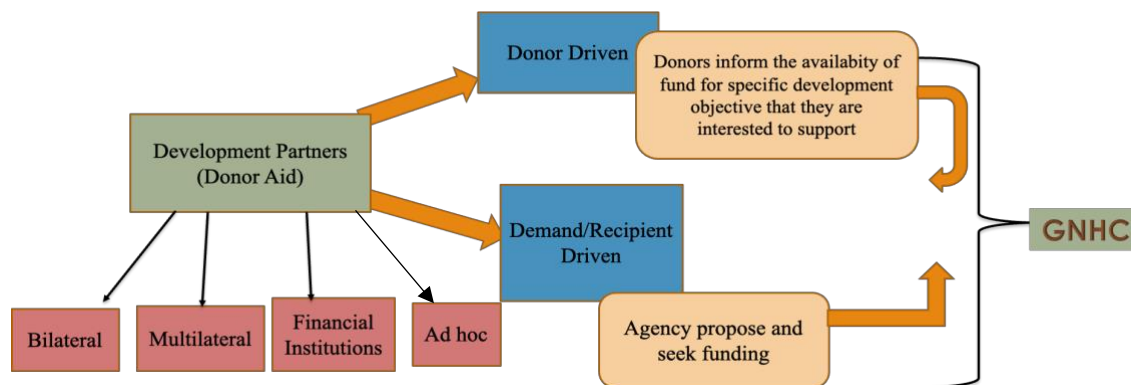


Figure 1. Donor Aid Process in Bhutan

Source: Author (2021)

Aims and objectives

Aim

This paper aims to highlight the development partners and FYP of the country and their alignment with the country development plan.

Objectives

1. To find the duration of plan cycle for each development partners in Bhutan
2. To assess if the plan cycle of development partners is in line with Bhutan's Five-Year Plan

Methodology

Data collection method

Primary data

Primary data collected were from donor focal officials of Gross National Happiness Commission via google spreadsheet in the format shared to the officials. The format for the data collection is attached as Annexure 1.

Secondary data

Secondary data were extracted from government documents and reports such as five-year planning documents and Round Table Meeting Reports.

Review of plan documents of Development Partners

Development Partners planning documents for Bhutan were studied to explore misalignment/alignment and to understand how development partners' planning is matched with Bhutan's planning cycle.

Data treatment method

The raw data collected from GNHC were segregated by development partners and the types of their aid: bilateral, multilateral and financial institutions. Segregated format was shared to GNHC to further provide missing data. The development partners whose data was missing or incomplete were removed from the list. Also, the date format was made uniform for the purpose of convenience in analysis.

Inclusion and exclusion of Development Partners in the study

For the purpose of the study, only multilateral, bilateral and financial institutions providing support to Bhutan were considered. Also, various UN agencies followed the same planning strategy. Therefore, all agencies falling under the UN were grouped under 'All UN Agency'. In addition, all ad hoc donors were removed from the study sample since it did not have enough details for the study.

Therefore, only 14 Development Partners were selected as the sample for the study as under:

Table 1. *List of Development Partners studied*

Sl. no.	Development Partner
1	Austria
2	Japan
3	European Union (EU)
4	Bhutan Foundation
5	Global Environment Facility (GEF)
6	Green Climate Fund (GCF)
7	Sustainable Development Goal Fund (SDGF)/Joint SDG Fund and Co-funded by UNICEF and UNDP
8	The International Center for Integrated Mountain Development (ICIMOD)
9	World Food Programme (WFP)
10	Save the Children International (SCI)
11	All UN Agencies
12	World Bank (WB)
13	Asian Development Bank (ADB)
14	International Front for Agricultural Development (IFAD)

Table 2. *Development Partners providing need-based aid to Bhutan*

Sl.no.	Development Partner	Partnership Name	Plan duration (year)
1	Republic of Korea		
2	Spain	Bilateral	Adhoc
3	Turkey	Bilateral	Adhoc
4	Thailand	Bilateral	Adhoc
5	Dante- UK	Bilateral	Adhoc
6	Finland	Bilateral	Adhoc
7	France	Bilateral	Adhoc
8	Australia	Bilateral	Adhoc
9	Helvetas	Bilateral	Adhoc
10	Swiss Red Cross	Bilateral	Adhoc
11	NORAD	Bilateral	Adhoc
12	Norway	Bilateral	Adhoc
13	Bhutan Health Trust Fund	Bilateral	Adhoc
14	Kuwait	Bilateral	Adhoc
15	Switzerland	Bilateral	Adhoc
16	Himalayan Cataract Project	Bilateral	Adhoc
17	Germany	Bilateral	Adhoc
18	USA	Bilateral	Adhoc
19	SDC	Bilateral	Adhoc
20	Canada	Bilateral	Adhoc

Data interpretation and analysis method

Microsoft-Excel spreadsheet was used to analyse the data using graphs. Strategic Plan documents of 12 development partners were reviewed to find misalignment with the 12th FYP.

Development Partners and 12th five-year plan of Bhutan

For this study, 14 different development partners (as shown in table 1) were taken as study sample and their plan duration was studied, mainly to see how they have aligned with Bhutan's FYP, particularly with 12th FYP (shown in table 3).

Table 3. *Duration of Development Partners' planning strategy*

Development Partners in Bhutan (selected Development Partners)					
Sl.no.	Development Partner	Partnership name	Current cycle		
			Duration (year)	Start date (mm-yyyy)	End date (mm-yyyy)
1	Austria	Country Strategy: Transition 2019–2023	5	Jan-19	Dec-23
2	Japan	Country Assistance Policy for the Kingdom of Bhutan	5		
3	European Union	Multiannual Indicative Program	7	Jan-14	Dec-20
4	Bhutan Foundation	Bilateral	5	Jul-18	Jun-23
5	GEF	Operational Phase 7	4	Jun-18	Jul-22
6	GCF	Phase I	3	Jan-20	Dec-23

7	Sustainable Development Goal Fund (SDGF)/Joint SDG Fund and Co-funded by UNICEF and UNDP	Building a Bhutan Integrated National Financing Framework for the Sustainable Development Goals (SDGs) and Gross National Happiness (GNH)	2	Jan-21	Dec-22
8	The International Center for Integrated Mountain Development (ICIMOD)	Program Implementation under KLCDI in Bhutan	5	Jan-17	Dec-21
9	World Food Programme (WFP)	Country strategic plan	5	Jan-19	Dec-23
10	Save the Children International (SCI)		5	Jan-21	Dec-25
11	All UN Agencies		5	2018	2023
12	World Bank	Country Partnership Framework	4	Jul-20	Jun-24
13	ADB	Country Partnership Strategy	5	Jul-19	Jun-23
14	IFAD	Country Strategy Note	3	2019	2021

Source: Authors (2021)

Duration of Development Partners' plan strategy

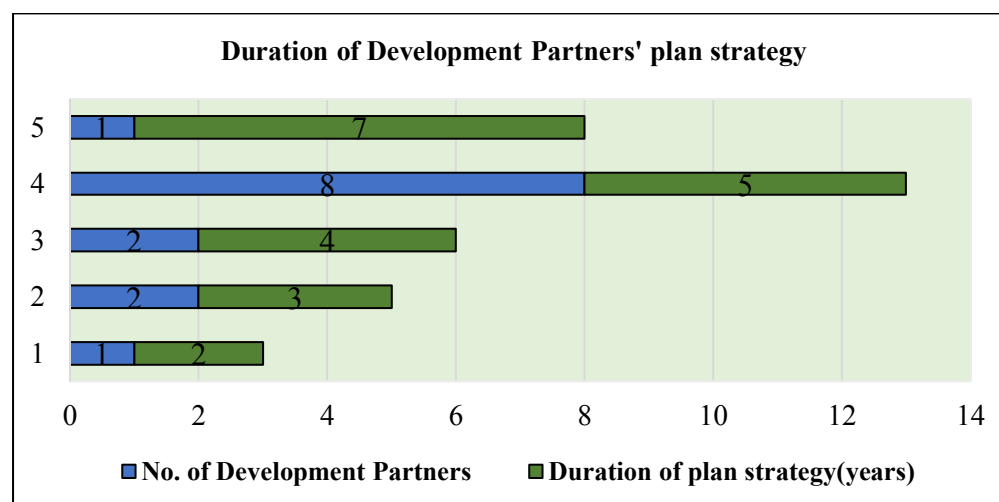


Figure 1. Duration of Development Partners' plan strategy

Source: Authors (2021)

The above figure 1 shows that the majority of development partners plan duration is for five years with eight development partners having a five-year plan strategy while only one development partner follows a seven-year planning strategy.

Review of strategic plan documents of Development Partners

Development partners support the country by formulating strategic plan (SP), country partnership strategy (CPS) and country programme. Different development partners have their

own strategic plan that directs the development partners to have a vision to achieve specific results, and shows the strategy on implementing the plan. The United Nations defined strategic planning as “the process by which an organization’s medium- to long-term goals, as well as the resources plans to achieve them” (Inomata, 2012).

1. Japan (Japan International Cooperation Agency)

Japan Official Development Assistance (ODA) to Bhutan can be traced back during the implementation of the first five-year plan from 1961 to 1966. It was in 1964, when the government of Japan sent the first batch of agriculture experts through Japan International Cooperation Agency (JICA) to improve agricultural productivity and human resource development. The two countries established diplomatic relations in 1986. Since then, Bhutan has received ODA mostly in three forms: a) ODA loan, b) grant aid, and c) Technical Cooperation.

The main function of JICA is to implement the ODA in the country. Under the Ministry of Foreign Affairs of Japan, there is a program called Country Assistance Program, which spearheads the Japan’s country-specific aid policy⁷. This document outlines the criteria for selecting countries who will receive the aid and on what objectives to be based on. The country assistance program document period is for five years⁸. After the end of the period, the Country-based ODA Task Force, composed of the Embassy of Japan and the JICA office in each recipient country, meet and formulate the country assistance program for the next period. At the time of formulation, they consider the recipient country’s development strategies and needs, and political and socio-economic situation - in case of Bhutan it’s FYP.

The JICA office in the country collects proposals from the government every year in order to carry out the need-based survey. Based on the survey, the JICA office decides funding mode for the project.

2. Austria (Austria Development Cooperation)

In 1989 formal bilateral relationship was signed between Austria and Bhutan (ADC, 2015). The bilateral assistance of the Austria government is being carried out by the Austria Development Cooperation (ADC) based on the Agreement between the Austrian Federal Government and the RGoB on Technical Cooperation.⁹

The three-year programme on Austrian Development Policy sets out the overall aims comprising the recipient country strategies and area of focus - replenishing the programme every three years. Whereas, the ADC prepares the Country Strategy of Bhutan based on the FYP and development policies of the country. For example, during the 11th Five-Year Plan (2015-2018), ADC came out with the Bhutan Country Strategy 2015-2018, which is aligned with the 11th FYP of the Government. Not only this, even during the 12th FYP, ADC released the Bhutan Country Strategy: Transition 2019-2023 which is fully aligned with 12th FYP (ADC, 2019). In the Bhutan Country Strategy: Transition 2019-2023 (p.1) it has clearly stated that Austria’s cooperation with Bhutan is in parallel to the period and objectives of the 12th FYP.

⁷ Ministry of Foreign Affairs of Japan. <https://www.mofa.go.jp/policy/oda/assistance/program.html>

⁸ Official Development Assistance (ODA). <https://www.mofa.go.jp/policy/oda/assistance/program.html>

⁹ Agreed Minutes on Bilateral Consultations between Austria and Bhutan (Thimphu, May 1997)

3. The World Bank Group

The world bank group has prepared the country partnership framework (CPF) for the Kingdom of Bhutan for the period FY 2021 to 2024. The Country Partnership Framework was formulated focusing on the two areas: a) human capital and b) resilience - both areas shall focus on the job creation. The World Bank Group has aligned the CPF's with the government priorities focusing on the objectives expressed through the 12th FYP, the Economic Contingency Plan (ECP) and flagship programmes as shown in figure 2 and 3 (World Bank, 2021).

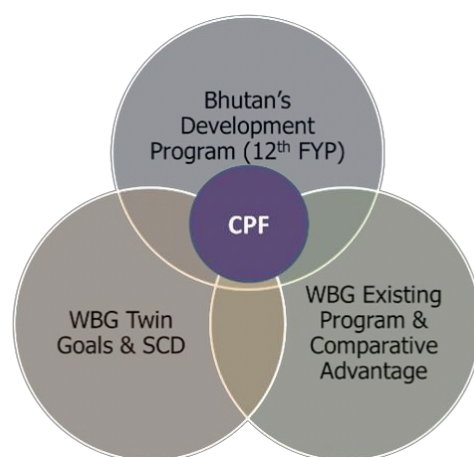


Figure 2. The Country Partnership Framework at the intersection of selectivity

Source: The World Bank Country Partnership Framework, 2021.

Government priorities	SCD priorities	CPF strategic focus areas and objectives
NKRAs: Economic Diversification; Food and Nutrition Security; Infrastructure, Communication and Public Services; Productive and Gainful Employment Flagships: Growing organic; Digitalizing Bhutan; Redefining tourism; Economic diversification	SCD Focus Area 1. Boosting Private Sector Development <ul style="list-style-type: none"> Increasing access to finance Investing in connective transport infrastructure and ICT Harnessing the potential of vast natural resources 	CPF strategic focus area: Resilience CPF objectives: Improve economic resilience and environmental resilience Cross-cutting foundation: Leverage digital technologies to reduce disparities
NKRAs: Macroeconomic Stability Flagship: Economic diversification	SCD Focus Area 2. Strengthening macro-fiscal stability <ul style="list-style-type: none"> Strengthening domestic revenue mobilization Improving management of hydropower rents 	CPF strategic focus area: Resilience CPF objective: Improve economic resilience Cross-cutting foundation: Leverage digital technologies to reduce disparities
NKRAs: Reducing Poverty and Inequality; Quality Education and Skills; Gender Equality; Health and Caring Society Flagships: Health services through cancer screening; Reliable drinking water and irrigation water; ICT-izing schools	SCD Focus Area 3. Investing further in human capital and improved service delivery <ul style="list-style-type: none"> Improving access to and quality of basic services and increasing investment in human capital Strengthening the social protection system 	CPF strategic focus area: Human capital CPF objective: Improve human capital to increase productivity of current and future workforce Cross-cutting foundation: Leverage digital technologies to reduce disparities
NKRAs: Carbon Neutrality, Climate and Disaster Resilient; Sustainable Human Settlements; Sustainable Water Flagship: Growing organic	SCD Cross-cutting Area 1. Enhancing Disaster and Climate Resilience <ul style="list-style-type: none"> Promoting sustainable management of water resources Managing and mitigating climate-related vulnerabilities 	CPF strategic focus area: Resilience CPF objective: Improve environmental resilience Cross-cutting foundation: Leverage digital technologies to reduce disparities, strengthen governance and implementation capacity
12th FYP. Plan Implementation, Monitoring and Evaluation	SCD Cross-cutting Area 2. Addressing Implementation Gap <ul style="list-style-type: none"> Improving coordination and addressing capacity constraints Strengthening statistical capacity 	CPF implementation approach: Support capacity through TA and DPC Cross-cutting foundation: Leverage digital technologies to strengthen governance and implementation capacity

Figure 3. Linkage between the country partnership framework and government development priorities

Source: The World Bank Country Partnership Framework, 2021

4. European Union (EU)

In 1982, the first European Union development project was initiated in the country. Under the longstanding cooperative partnership with EU which spans around 36 years, EU has agreed to support the country's developments via Multi-annual Indicative Programme (MIP) with the funding cycle from 2014-2020 to Bhutan. The MIP focused on the two areas: a) rural development and climate change, and b) governance. As this program was initiated during the 11th FYP period, the document has clearly stated that EU will support the implementation of the 11th FYP (EU, 2014).

5. World Food Program

The World Food Program (WFP) is one of the outstanding partners for the country as this program has supported the country in many areas like education, school feeding, reducing poverty, health and other sectors for more than 40 years. WFP has formulated the Bhutan Country Strategic Plan for the period of five years starting from January 1, 2019 till December 31, 2023. This strategic plan will support the government from graduating Least Developed Countries (LDC) sustainably and will focus more on the Sustainable Development Goal (SDG) 2 (WFP, 2019). As most of the SDG are aligned with 12th FYP, this shows that WFP strategic plan does align with 12th FYP.

6. United Nations

The United Nations in the country has formulated a United Nations Sustainable Development Partnership Framework for Bhutan (UNSDPF) 2019-2023 to articulate the clear vision of UNs system in the country. This document's main objective is to support "A Just, harmonious and sustainable Bhutan where no one is left behind" (UN, 2019) with total funding support of USD 120 million in five years. The UNSDPF will focused on the four areas: a) enhanced access to and use of reliable and timely data for inclusive and evidence-based policy and decision making, b) vulnerable and unreached people access and receive quality health, nutrition, protection, education, water, sanitation and hygiene services, c) national stakeholders strengthened to provide equal opportunities for all, particularly women, and vulnerable groups, and d) Bhutan's communities and its economy are more resilient to climate-induced and other disasters and biodiversity loss as well as economic vulnerability¹⁰. These four areas will complement the 12th FYP objectives, particularly to 10 of the 17 National Key Results Areas (UN, 2019).

7. Asian Development Bank (ADB)

The Asian Development Bank has formulated the Country Partnership Strategy (CPS) for the period of five years from 2019-2023. This strategy will work to improve and enhance the economic diversification and reduce spatial and social disparities¹¹. The Bank has built the strategy that aligns with Bhutan's 12th FYP and development priorities (ADB, 2019).

8. International Fund for Agriculture Development (IFAD)

The United Nations International Fund for Agriculture Development (IFAD) and the Royal Government of Bhutan have a partnership history of 35 years. In that period, eight projects

¹⁰ Reported in United Nations Sustainable Development Framework 2019-2023.

¹¹ Reported in the Country Partnership Strategy 2019-2023.

were executed both completed and on-going with a total cost of about USD 114.48 million¹². The IFAD has prepared the Kingdom of Bhutan Country Strategy Note which highly converges with the 12th FYP (IFAD, 2018).

9. Save the Children International (SCI)

The Royal Government of Bhutan and Save the Children International has signed the Memorandum of Understanding for the period of five years from January 1, 2021 to December 31, 2025¹³. SCI has agreed to provide financial and technical assistance based on the shared national development goals of RGoB i.e. 12th FYP and SCI. This MoU has focused on bringing changes in the lives of Bhutanese children, adolescents, youths and their families (MoU, 2020).

10. Joint Sustainable Development Fund (JSDF)/ Sustainable Development Goal Fund (SDGF)

The Sustainable Development Goal Fund or Joint Sustainable Development Fund is a sustainable financing strategy of the RGoB to meet the enough resources to fulfil the Sustainable Development Goals (SDG) and particularly to finance the country's 12th FYP and the development priorities of the country. The country has developed the joint programme called "Building a Bhutan Integrated National Financing Framework for the Sustainable Development Goals (SDGs) and Gross National Happiness (GNH)"¹⁴ with initiative from UNDP and UNICEF. Another advantage of this joint programme is that it can facilitate and support financing systems to achieve the SDGs within the timeframe of 12th FYP.

11. Global Environment Facility (GEF)

The Global Environment Facility was established in 1992, to tackle the prominent environmental problems. GEF funds the projects based on the System for Transparent Allocation of Resources (STAR) and operates in phase wise for four years. Currently, GEF has reached operational phase 7 from 2018 – 2022¹⁵. All the projects funded by the GEF do have alignment with the five-year plan of the country and UNDP acts as the GEF agency in releasing funds for the projects.

12. Green Climate Fund (GCF)

The Green Climate Fund is the world's largest climate fund that supports developing countries to invest in low-emission and climate-resilient development¹⁶. In 2010, 194 countries who are the members of the United Nations Framework Convention for Climate Change (UNFCCC) set up the climate fund for developing countries. Fund for GCF will be contributed by the developed countries and the developing countries can opt for the fund via two ways: 1) Accredited Entity and 2) Multilateral Implementing Entity. Under this fund, the country has received seven projects which account about USD 56.868 million¹⁷ and all the projects align with the FYP.

¹² Stated in IFAD website <https://www.ifad.org/en/web/operations/w/country/bhutan>

¹³ MoU between RGoB and SCI signed on December 28, 2020.

¹⁴ UN Joint SDG Fund: First Call on SDG Financing documents shared by GNHC

¹⁵ 55th GEF Council Meeting, December 18-20, 2018 <https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-C.55-Inf.03-GEF-7-STAR.pdf>

¹⁶ Green Climate Fund <https://www.greenclimate.fund>

¹⁷ Assistant Planning Officer of GNHC, Presentation slides

The review of DP's strategic plans reveal that DPs align their strategic plan content with the country FYP, irrespective of when their plan ends. Similarly, figure 4 (as shown below) shows that majority of Development Partners' strategic plans are aligned with the 12th FYP. Except for European Union whose plan duration is for seven years and exceeds country's 12th FYP duration, rest of the DPs plan duration is within the 12th FYP.

Alignment of Development Partners Plan with 12th FYP

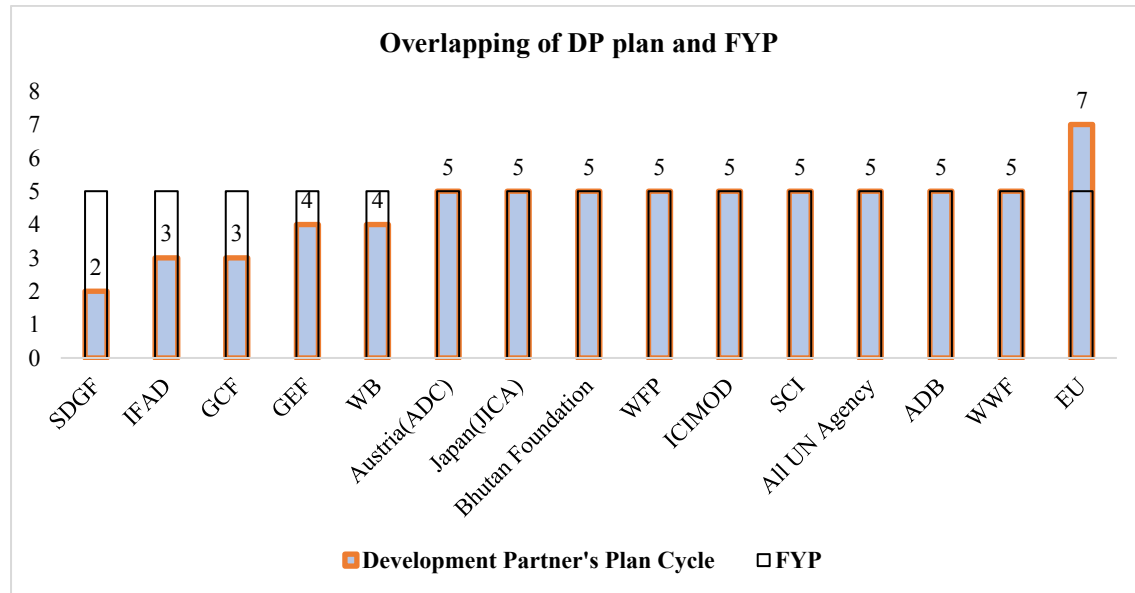


Figure 4. Graph showing overlapping of DP's plan with 12th FYP of Bhutan

Similarly, table 4 shows that majority (9 out of 14) of Development Partners' plans align with the 12th FYP duration. Only two development partners' plans are not fully aligned with the 12th FYP. ICIMOD's five-year plan has spilled over to current 12th FYP, while EU's seven-year plan spills over to the next 13th FYP of Bhutan.

Table 4. Calendar showing duration of Development Partners' plan and its alignment with 12th FYP

Duration of Development Partners' Plan						DP's Plan alignment with Bhutan's FYP										
Sl.No	Development Partner	Donor Plan Name	Current cycle			11th FYP(2012-2017)	12th FYP (2018-2023)						13th FYP (2024-2029)		Remarks	
			Cycle duration (year)	Start date (mm-yyyy)	End date (mm-yyyy)	2017	2018	2019	2020	2021	2022	2023	2024	2025		
1	Austria	Country Strategy: Transition 2019-2023	5	Jan-19	Dec-23										within 12th FYP	
2	Japan	Country Assistance Policy for the Kingdom of Bhutan	5													
3	European Union	Multianual Indicative Program	7	Jan-14	Dec-20										within 12th FYP	
4	Bhutan Foundation	Bilateral	5	Jul-18	Jun-23										within 12th FYP	
5	GEF	Operational Phase 7	4	Jun-18	Jul-22										within 12th FYP	
6	GCF	Phase I	3	Jan-20	Dec-23										within 12th FYP	
7	Sustainable Development Goal Fund (SDGF)/Joint SDG Fund and Co-funded by UNICEF and UNDP	Building a Bhutan Integrated National Financing Framework for the Sustainable Development Goals (SDGs) and Gross National Happiness (GNH)	2	Jan-21	Dec-22										within 12th FYP	
8	The International Center for Integrated Mountain Development (ICIMOD)	Program Implementation under KLCDI in Bhutan	5	Jan-17	Dec-21										spillover from 11th FYP	
9	World Food Programme (WFP)	Country strategic plan	5	Jan-19	Dec-23										within 12th FYP	
10	Save the Children International (SCI)		5	Jan-21	Dec-25										spillover to 13th FYP	
11	All UN Agencies	UN Sustainable Development Partnership Framework for Bhutan	5	2018	2023										within 12th FYP	
12	World Bank	Country Partnership Framework	4	Jul-20	Jun-24										spillover to 13th FYP	
13	ADB	Country Partnership Strategy	5	Jul-19	Jun-23										within 12th FYP	
14	IFAD	Country Strategy Note	3	2019	2021											

Source: Authors (2021)

Outline of Policy Options

The followings are the policy options that the government can consider:

1. Changing the duration of development plans does not result in misalignment with donor plans
2. Do nothing i.e business as usual (BaU)

Description of Policy Options

1. Changing the duration of development plans does not result in misalignment with development partners' plans/strategy

This paper likes to provide the policy option that development partners' duration does not have much effect on aligning the country specific-objectives and the development priorities. The one positive example is the World Bank Country Partnership Strategy (CPS) both present and predecessor have aligned their objectives with the FYP. During the Country Partnership Strategy FY 2015-2020, the results areas were aligned with the government's 11th FYP (2013-2018)¹⁸. Similarly, the present CPS FY 2021-2024 is aligned with the 12th FYP and other development priorities. This provides the information that irrespective of country development plan duration, all the development partners objectives align with the government FYP.

Another explicit example is the strategy of Austria Development Cooperation (ADC) in which the country office formulates the five years strategy though the Federal Ministry Republic of Austria does the three-year programme on Austrian Development Policy. As stated in the Country Strategy: Transition 2019-2023 that transition strategy is fully aligned with the 12th FYP of the government (ADC, 2019). This adds another testament that the duration of the development plan does not result in misalignment with development partners.

2. Do Nothing i.e Business as Usual (BaU)

If the country continues the quinquennium period of development plan, it is obvious that development partners shall converge their objectives and period too. Though the alignment has benefitted the country in large, different development partners plan their strategies mostly after the finalization of the FYP, while some donors like the World Bank Group¹⁹ plans in the middle of the country's FYP. This might have caused the country to lose the opportunity or lengthen the duration for the development partner aid commitment for a project. For instance, during the interim government period of ninety days in 2018 (August - October, 2018) after the dissolution of the second government, the International Fund for Agriculture Development (IFAD) has prepared Bhutan Country Strategy Note (CSN) instead of Country Strategic Opportunities Programme²⁰ (COSCOP) because of the election period. The key difference between CSN and COSCOP is that COSCOP outlines the detailed strategy or framework to be implemented in the country whereas CSN is prepared to address the current issues.

In the CSN (2018), it has clearly mentioned that with no authority for the interim government to take policy decisions or execute any agreements with foreign countries or organizations and

¹⁸ Reported in the World Bank Country Partnership Framework for the Kingdom of Bhutan for the period FY 2021-2024.

¹⁹ Reported in the World Bank Country Partnership Framework for the Kingdom of Bhutan for the Period FY 2021-2024.

²⁰ IFAD. Country Strategic Opportunities Programme. <https://www.ifad.org/en/cosop>

waiting for the new government to join office and take decision on the 12th FYP, the country's previous stability was shaken with rising national debt mainly due to change in inflows from India. In business as usual (BaU), every five years the country will experience the same economic uncertainty if not worse due to unforeseen circumstances.

Recommendation

The paper recommends to try the shorter duration of the development plan cycle for a few years to mainly to study the comparatives with the existing plan. As shown in the study, the country development plan duration does not result in the misalignment with the development partners. The FYP of the country follows the centrally planned approach though there is extensive consultation with all the stakeholders including the privates and CSOs but it lacks the flexibility. Here what flexibility means is that there must be some ways to revise the plan based on the changes in the foreign and domestic conditions (Kim, 2011) rather than following the original plan just to achieve the target objectives. The status quo on reviewing the plan happen only mid-way, if possible, it must happen every year so that possible specific policy measures can be adopted and realign the plan.

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Annexure 1. Data collection format (shared to GNHC)

Table A1. Donor plan cycle of donor agencies in Bhutan (selected Development Partners)							
Development Partner	Partnership Name	Current cycle			Amount	Development partners objectives for providing assistance	Form of assistance (project tied, budgetary, in kind support, etc.)
		Cycle duration (year)	Start date (mm-yyyy)	End date (mm-yyyy)			
EU	Multiannual Indicative Program	7	Jun-14	Jul-21	43 million EURO	1. Strengthening Local Government. 2. Improving disaster resilience through development of Search and Rescue Team, 3. Enhancing food and nutrition security. 4. Capacity development of CSOs and Parliamentarians	Budgetary support
GEF	Operational Phase 7	4	Jun-18	Jul-22	6 million USD	6 Focus areas are 1. Biodiversity, 2. Chemical waste, 3. Forest, 4. International water, 5. Land degradation and 6. Climate change	Budgetary support
GCF	Phase I	3	2020	2023	56.868 million USD	Six investment criteria: 1) Impact potential, 2) Paradigm shift, 3) Effectiveness and efficiency, 4) Country ownership, 5) Need of the recipient and 6) Sustainable development under the broad investment of: adaptation and mitigation	Budgetary Grant and TA
Austria	Country Strategy: Transition 2019-2023	5	Jan 2019	Dec 2023	8.3 million Euros	Governance and sustainable energy	Project tied
Japan	Country Assistance Policy for the Kingdom of Bhutan	3 or 5 years	March	April	Nu 5218 million	Four main sectors: (1) agricultural and rural village development, (2) economic infrastructure development, (3) social development, and (4) strengthening governance.	Project tied

Alignment of Election Cycle and Plan Cycle

*Sangay Chophel**

Summary

Five-year plans do not align with the election cycle because of the vacuum created during the Interim Government period. In addition, five-year plans are made by previous governments but implemented by incoming governments. Therefore, different plan options and its future scenarios are explored up to 2050. In three-year plan scenario, once in 21 years, a government will not be able to complete one full three-year plan. Not being able to complete one full three-year plan might affect the delivery of pledges. In four-year plan scenario, once in 21 years, two governments will not be able to complete one full four-year plan. In two-year plan scenario, all future governments can start and complete at least one full two-year plan. The duration the future incoming governments have to implement the spillover activities is relatively shorter in two-year plan cycle compared to three and four-year plan cycles. In two-year plan cycle, the duration of the majority of projects may have to be reduced to two years to align with its cycle. Similarly, in three-year plan cycle, the duration of the majority of projects may have to be reduced to three years.

Keywords: election cycle, plan cycle, tenure, government, projects, align, spillover

Issue

Five-year plans are prepared by previous governments but implemented by incoming governments although Gross National Happiness Commission, as the central planning agency, tends to include some of the pledges of the competing political parties in the preparation of five-year plans¹. The election cycle determines the tenure of governments. Five-year plans (FYP) are not organically aligned with a government's tenure. To align it, the five-year plan will have to be shifted forward to match with a government tenure. Further, when the plan cycle is five years, making adjustments to the plan due to emerging exigencies, such as Covid-19, becomes difficult because some potential beneficiaries could be affected by the adjustments. The purpose of this paper is to show how to align a government's term with the plan cycle by exploring future scenarios up to 2050: the ideal duration of plan that aligns with a government's term with least hindrances.

Background

The preparation of five-year plan takes about two years involving consultations with diverse stakeholders so that the needs and aspirations of the people are reflected while also ensuring ownership of the plan. The dates that five-year plan usually follow is that of fiscal year; five-year plan begins on July 1 of the first year and ends on June 30 of the last year of the five-year plan. However, the tenure of an incoming government does not always coincide with fiscal year. The current 12th FYP was shifted from July 1, 2018 to November 1, 2018 in order to align with the current government's tenure. The current government (the third government) tenure ends on October 31, 2023 and at the same time the 12th FYP also comes to an end.

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¹ GNHC (2019), *Twelfth Five Year Plan Document 2018-2023 (Volume-I)*, p. xiii

The Interim Government (IG) will then be formed for maximum of 90 days from beginning of November 2023 to the end of January 2024. Article 19, Section 1 of the Constitution of Bhutan states that “Whenever the National Assembly is dissolved, the Druk Gyalpo shall appoint an Interim Government to function for a period, which shall not exceed ninety days, to enable the Election Commission to hold free and fair elections.” Further, Section 187 of the Election Act of the Kingdom of Bhutan, 2008 states:

The Election Commission shall, not later than ninety days, before the date of expiration of duration of the National Assembly, announce the date on which the Druk Gyalpo shall issue by Royal Decree the notification calling the election and setting the process of election in motion so as to ensure that a new National Assembly is reconstituted within ninety days after the date of expiration of its duration.

Provided that in the case of premature dissolution of a National Assembly, such announcement shall be made after the dissolution so as to ensure that the new National Assembly is reconstituted within ninety days of its dissolution. (p. 67)

Looking at the past trends, the primary and general elections are held within 90 days after the government/National Assembly dissolves. The tenure of the government begins on the date of the first sitting of the National Assembly.

Since the Interim Government cannot initiate any new activities, the 13th five-year plan or any other new plan will have to begin when the new incoming government (the fourth government) takes office, that is, probably on February 2, 2024 (i.e. in the month of February 2024). The Interim Government can only carry out the routine functions of the government but cannot take any policy decisions, according to the Constitution.

The following sections presents the policy options and describes the possible scenarios of changing plan cycle to two to four years juxtaposed against future governments’ tenure and its implications. A government’s tenure, as is well known, is based on election cycle.

Outline of policy options

The following are the actions that can be taken:

1. Implementation of three-year plan cycle
2. Implementation of four-year plan cycle
3. Implementation of two-year plan cycle
4. Do nothing, that is, business as usual

Description of policy options

Implementation of three-year plan cycle

Three-year plan cycle is neither too short nor long enough when measured from the angle of five-year plan. In addition, majority of the projects and programs of the government can be covered under three years period. Therefore, the first policy option is examined to envision the future scenarios when the plan cycle is changed to three years.

Figure 1 shows the relation between election (government) cycle and three-year plan cycle and its likely future scenarios. It also includes the existing five-year plan as business-as-usual scenario represented by the blue line. The bar graph depicts the government tenure with its start and end time. The red line shows the three-year plan cycle overtime till 2050.

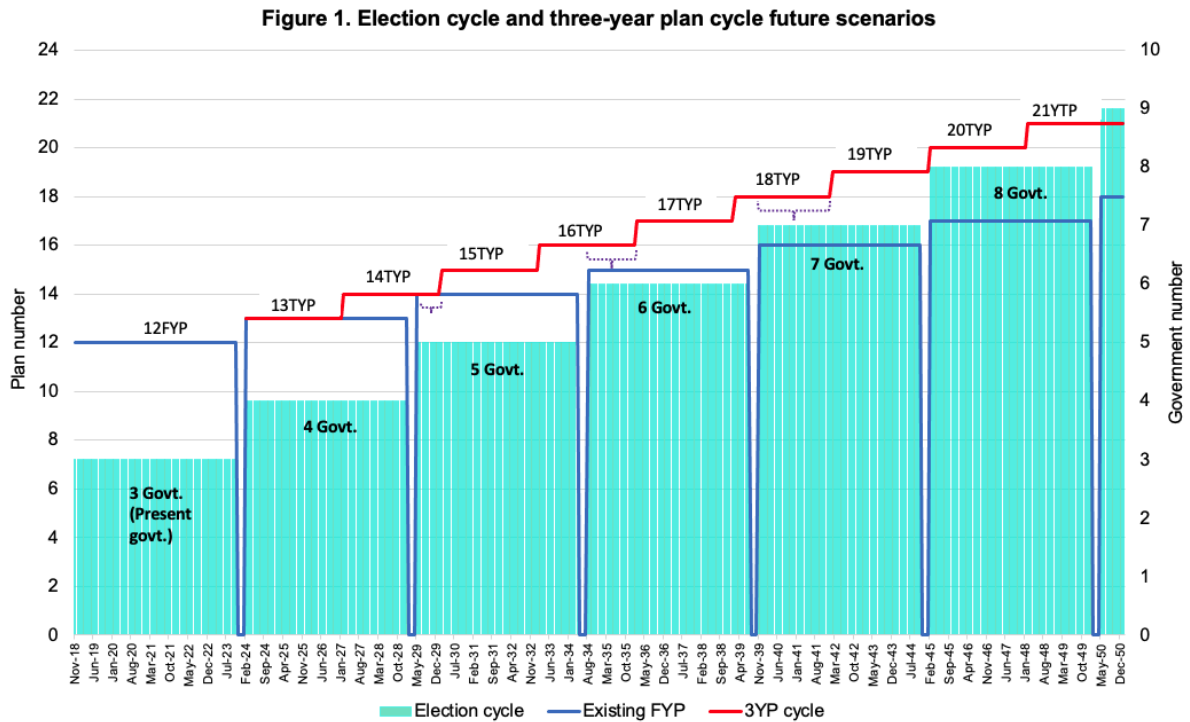


Figure 1. Election cycle and three-year plan cycle future scenarios

The fourth government can complete one full plan (i.e. 13th three-year plan) but the 14th plan will spillover to the next government. The next government (fifth government) will have to implement the spillover activities of previous plan for nine months and then begin the new 15th three-year plan, which can be completed during their tenure. The 16th three-year plan will begin during their tenure but cannot complete it. It will spillover to the next government (sixth government), which will have to implement the spillover activities for 18 months. During the sixth government's tenure, they can begin the 17th three-year plan and complete it. Although the 18th three-year plan will begin during their tenure it cannot be completed. The 18th three-year plan will spillover to the seventh government's tenure for 27 months. The 19th three-year plan will begin during the seventh government's tenure but cannot complete it. The seventh government cannot even complete one full plan because the implementation period will be short by three months. That is the government can implement the 19th plan for 33 months. However, the remaining three months activities of the 19th plan can be seen through by the Interim Government. The eighth government can complete one full plan (i.e. the 20th three-year plan). Once in 21 years, a government will not be able to complete one full three-year plan. Not being able to complete one full three-year plan might cause some of the pledges to remain unfulfilled, especially those pledges that require at least three years to deliver. This is more likely if the spillover activities of the previous plan initiated by the previous government are unchanged to accommodate the pledges of the incoming government (in this case the seventh government).

If the three-year plan alternative is chosen then there would be implications on the planning phases. The preparation of a new five-year plan usually begins two and a half years before it

actually commences. If this practice is followed for three-year plan, then the preparation of, say for example, the 14th three-year plan, would have to begin one and a half years before it commences, a reduction of one year preparation compared to the preparation of five-year plan. The question is whether the same standard of plan preparation can be maintained. Consultation with stakeholders may have to be reduced from nine months to six months. Similarly, the time taken for presentation to and approval of draft guidelines by Cabinet, the sensitization of key result areas, the formulation of plans and programs to reviewing it and finalizing it will have to be sharply reduced.

The adoption of three-year plan cycle would imply that the duration of most projects be fixed at three years or below in order for the government to see the successful completion of the projects and it benefits. Moreover, projects that vitally inform and guides the planning framework such as Gross National Happiness survey will have to be conducted triennially to provide up-to-date information instead of every after five years. GNH survey results were used as one of the inspirations and anchors of 12th FYP (GNHC, 2019, p. 27).

The frequency of Round Table Meetings (RTM) will not change but the gap between the first and the second RTM will be reduced from two and a half years to one and a half years. There will not be any effects on the budget cycle since it functions annually. The major advantage of three-year plan is that most of the projects can be completed before the end of the plan².

Implementation of four-year plan cycle

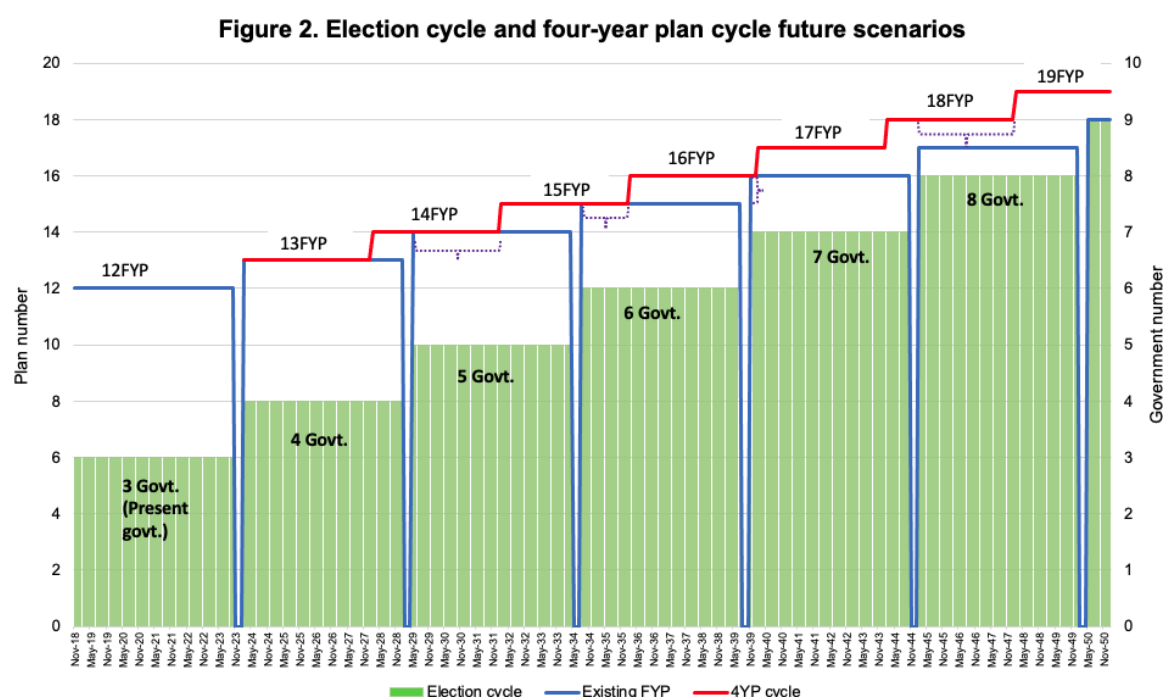


Figure 2. Election cycle and four-year plan cycle future scenarios

Figure 2 shows what would happen if the plan cycle is changed to four years. The next government (i.e. the fourth government) can begin and complete the 13th four-year plan but the 14th four-year plan will spillover to the fifth government. The fifth government will have to implement the spillover activities for 33 months and cannot complete one full plan during their tenure. Similarly, the sixth government cannot complete one full plan during their tenure.

² See Dechen Wangmo (2021), p. 4.

The sixth government will have to implement the spillover activities for 18 months and cannot implement one full plan too. The seventh government can complete one full plan (i.e. the 17th four-year plan) during their tenure. They will have to implement the spillover activities of 16th four-year plan for three months. The eighth government will have to implement the spillover activities of the 18th four-year plan for 36 months and their tenure will end on February 2050 without even completing one full plan. Once in 21 years, two governments cannot complete one full four-year plan, which is an increase of one more government compared to three-year plan cycle.

Not being able to complete one full plan also implies that the completion of some projects may not see the light of day during their tenure. However, if one full four-year plan is covered, almost all the projects can be completed. There would also be adequate time for consultation with stakeholders for preparation of a new plan, for the preparation of guidelines and formulation of plans and programs though slightly lower than five-year plan.

Implementation of two-year plan cycle

The foregoing figures showed that when the plan cycle is changed to three and four years at least one future government will not be able to start and implement one full plan during their tenure. Therefore, the alignment between election cycle and two-year plan is examined, as shown in figure 3.

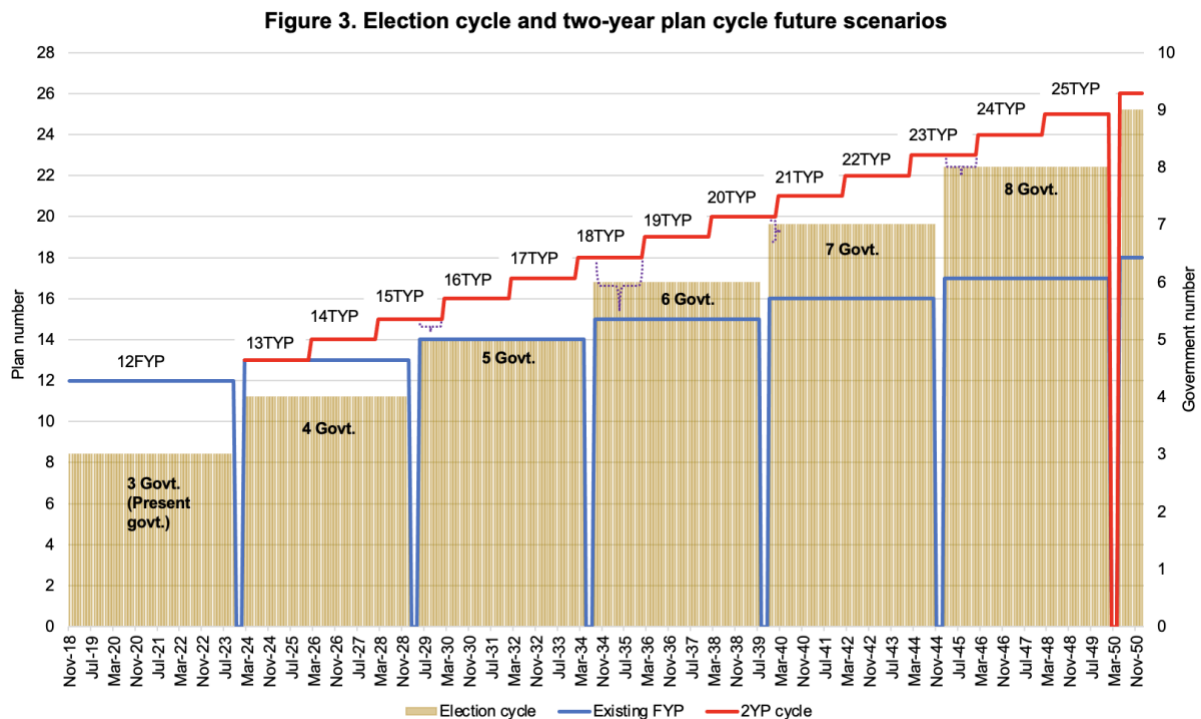


Figure 3. Election cycle and two-year plan cycle future scenarios

All future governments can start and complete at least one full two-year plan, as shown in figure 3. The fourth, fifth, seventh and eighth government can implement two full two-year plans whereas the sixth government can implement only one full two-year plan. The duration the incoming future governments have to implement the spillover activities is relatively shorter compared to three and four-year plan cycles. The fifth government have to implement the spillover activities of the 15th plan for nine months, the sixth government have to implement

the spillover activities of the 18th plan for 18 months, the seventh government have to implement the spillover activities of the 20th plan for three months, and the eighth government have to implement the spillover activities of the 23rd plan for 12 months. However, the ninth government will not have to implement any spillover activities of the previous plan since the end of the 25th plan coincides with the Interim Government period. The 26th plan will have to be moved forward and aligned with the beginning of the ninth government tenure.

If two-year plan option is adopted then the preparation of a new two-year plan will have to begin a year before the new plan commences. This entails increasing the speed of plan preparation and finding creative means of formulating plans and programs.

Unlike the current practice, the time devoted to consultation with stakeholders may have to be reduced to four months, the presentation of draft guidelines to the Cabinet to one month, the sensitization of key result areas, the formulation of plans and programs to reviewing it to two months each, and the finalization of plans and programs to one month.

The duration of majority of the projects may have to be reduced to two years to align with plan cycle. The speed of completing the projects will have to be increased through the use of latest technology and by augmenting skilled manpower, among others, if the projects that took more than two years are to be completed within two years. In absolute terms, the number of projects completed during the tenure of a government will be more if projects' duration is of two years without factoring in the size of the project. This may cover more of the people's priorities and emerging needs.

In two-year plan system, revising or making changes to a plan would be relatively smooth because technically the waiting time between one plan and the next is much shorter compared to a five-year plan. On the other side, there might be a possibility of losing sight of long-term investment projects of national importance.

Do nothing (business as usual)

As it can be seen from figure 1 to 3, the five-year plan, depicted by the blue line, never aligns well with election cycle (see the series of troughs between the end of one FYP and the beginning of the next FYP) because of the vacuum created during the Interim Government period which functions for 90 days. It is in this period that elections are held. The main responsibility of the Interim Government is to ensure free and fair elections. To align five-year plan with the tenure of government it will always have to be moved forward by three months.

If severe economic distress coincides with the Interim Government period, then the IG will be handicapped to revive the economy since they cannot initiate and implement any new activities or policies. If they ever were to implement new projects, which will require changing the existing law, Nu 9 million per project could be the suitable amount since this is the average expenditure for projects of one year duration³.

One of the major drawbacks of five-year plan is that budget forecasts for five years (in fact three years and above) are subject to great uncertainty. Moreover, it will increase the likelihood of making more changes to the plan simply because the list of planned activities, projects and programs will be larger in the five-year plan than other shorter plans. The greater the changes to the plans, the greater will be the resistance to it from the affected parties.

³ See Dechen Wangmo (2021), Figure 6, p. 7.

Recommendation

From the point of aligning the election cycle (government tenure) with the plan cycle, two-year plan is a better alternative to the five-year plan since all the future governments can implement at least one full plan and the spillover duration is also relatively shorter. Moreover, the commencement of the two-year plan does not have to be moved forward to align with an incoming government's term except once in 26 years unlike the current the five-year plan which will always have to be moved forward to align with a government's term. Making changes to plans would be relatively smooth in a two-year plan system because the time gap between one plan and the next would be much shorter to introduce interventions to address issues. Also, the budget forecasts for plans will be relatively more accurate. The second-best option is three-year plan, with its main strength being the possibility to complete most of the projects within the plan period.

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Spatial Planning in Bhutan

*Wangchuk Dema**

Summary

Over the past several years, Bhutan has started its journey on spatial planning which is an innovative approach to planning that deals with the future distribution of activities and their interlinkages at various spatial levels aimed to achieve sustainable development and balanced regional development. However, spatial planning in the country is currently underdeveloped which is mostly constrained to one agency that is incapacitated with regard to its implementation. Spatial planning is out of the overall picture of planning process and the little spatial planning available is regularly technical which prevents planning process from becoming comprehensive. This paper puts an emphasis on the need to establish a separate institutional set up that has the ability to implement spatial planning across different sectors and Local Government levels and draw up spatial plans at national, regional and local levels. This paper is also a further contribution to creating awareness on the significance of spatial planning among planners and policy makers.

Keywords: Spatial planning, planning, planning commission, spatial planning system, sustainable development, balanced regional development

Issue

In recent years, there have been dialogues on revamping the planning system including planning approach and cycle, and even restructuring or dissolving the planning commission of the country but the role of spatial planning within the overall planning system has rarely been tabled for discussion. More than a decade ago, Nadin (2006) expressed that the planning function has become mostly disconnected from other sectoral policies and plans that drive spatial development patterns and the quality of settlements. To this day, this seem to be also true in the case of Bhutan as there has been hardly any conduct of planning from the perspective of spatial planning until recently with some groundwork on it, however, in a restricted manner yet to be shown in the following.

While there may be quite an ecosystem related to that of spatial planning constructed by various related policies¹, strategies and laws such as Rural Construction Rules (2013), Urban Roads Standards (2002) and the National Environment Protection Act, (2007), it is equally critical to recognize the limitations in the ecosystem as well as lapses in the implementation modality of the spatial planning in the country. The main issue related to lack of spatial planning in the country is two-fold; firstly, the present nodal agency responsible for spatial planning is intrinsically weak to address many of the national issues and secondly, the spatial planning system is not comprehensive enough with dearth of national, regional and local spatial plans.

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¹ Other policies, strategies, and laws that make up a spatial planning ecosystem are Urban Roads Standards (2002), Water Act of Bhutan (2011), Forest and Nature Conservation Act of Bhutan, among others.

Background

Spatial planning² is not entirely different from other forms of planning such as land use planning and town planning. However, the scope of spatial planning exceeds beyond use of land to balance demands for development to achieve social and economic objectives, and it also places importance on the need to protect the environment (Wegener, 1998). The Compendium of European Spatial Planning (European Commission, 1997) states that spatial planning is deployed with the objectives of generating a more rational territorial organization of land uses and the linkages between them. It strives towards achieving a more even distribution of economic development between different regions than would otherwise be created by market forces, and to regulate the conversion of land and property uses by adopting measures to coordinate the spatial impacts of other sectoral policies. Hence, spatial planning is ‘a set of governance practices for developing and implementing strategies, plans, policies and projects, and for regulating the location, timing and form of development’ as defined by Healey (1997).

Spatial planning is more complex than simple land-use regulation and spans past the urban territory unlike urban planning, in order to promote a more rational arrangement of activities in various level of spatial (UNECE, 2008). This approach of planning plays an integral role in the way societies are organized and also in the allocation of the resources and activities, thereby having across-the-board distributional consequences. Spatial planning is mainly driven by the government for public-sector, but its affects are also felt by the individuals, households and private business; it is not only regulatory in nature but a promotional one that supports businesses and private sector to flourish and make contributions to economic development as well as the livelihoods of individuals and households by putting in efficient system to remove unnecessary regulations, prohibitions and costs (Acheampong, 2018).

In Bhutan, spatial planning in its truest sense is a fairly new endeavor that only started more than half a decade ago in 2014 when the conversations on it was initiated for the purpose of formulating the Terms of Reference for the Spatial Planning Standards that was materialized in 2017 by the Ministry of Works and Human Settlement (MoWHS). It can be acknowledged that there were efforts made in proper planning by the ministry, with the approval of National Human Settlement Policy in 2015. Also, the capital city having its structure plan ‘Thimphu Structure Plan 2002 -2027’ which is a long-term project of 25 years can be viewed as a local spatial plan and is supported by, ‘Thimphu City Development Strategy’ developed by Ministry of Works and Human Settlement (MoWHS) in 2008. However, the performance audit report on urban planning and development in Thimphu Thromde (2019) revealed a lack of clarity regarding the lead agency for the timely review of the Thimphu Structure Plan, whether it was the MoWHS or the Thimphu thromde.

One of the recent prominent works led by the ministry is the ‘Project for Formulation of Comprehensive Development Plan for Bhutan 2030’³ has shed more light on spatial planning in consultation with 17 agencies including GNHC. After more than two years in 2019, the Project resulted in five report volumes⁴ of Comprehensive Development Plan.

² The activity of planning the form of human settlements dates back to the earliest civilizations such as Greece, Rome, and Egypt. The concept of spatial planning has its origins in Europe.

³ The project was supported by JICA (Japan International Cooperation Agency).

⁴ Five volumes are summary, existing conditions and development issues, comprehensive development plan, appendix and GIS Atlas.

The significance of spatial planning

According to United Nations Economic for Europe, spatial planning is vital for the creation of a more stable and predictable conditions for investment and development, for securing community benefits from development, and for encouraging judicious use of land and natural resources for development. Consequently, spatial planning assists in the delivery of economic, social and environmental benefits and helps to promote investment while guiding the policies for protecting the environment and promoting more efficient use of resources (UNECE, 2008). It also states that the spatial planning can provide a vision and common direction for policies and programmes and identify priorities for policy; it can also help to avoid duplication of effort by different departments and levels of government by assisting in the coordination of sectoral policies. Thus, spatial planning is thus an imperative handle for promoting sustainable development and improving quality of life.

Bhutan is one of the countries facing issues⁵ of globalization, sustainable development, economic reform, and demographic change which are interlinked in one way or the other. This paper will also touch upon few of these issues and their nexus in order to highlight the instrumental role spatial planning can play to address them. According to Population and Housing Census of Bhutan (NSB, 2017), the urban population grew from 196,000 in 2005 to 275,000 in 2017 with a growth rate of 40.2% and the urban population accounts for 37.8% of the total population, which is a sign of rapid urbanization. Although the rate of urbanization is slowing down, it is projected that the proportion of urban population in 2047 will be 56.8% (NSB, 2019). One of the main attributions of urbanization in Bhutan is rural-urban migration besides natural increase and reclassification of rural areas to urban areas (NSB, 2018). While urbanization has positive impacts, its undesirable consequences such as waste, pollution, congestion, crimes, poverty, unemployment among others needs to be tackled systematically.

Needless to say, other spatial areas at different levels, particularly the rural areas which have been deprived of the equitable development also requires constructive interventions. Spatial planning as a new approach to planning will ensure a systemic overhaul in addressing rural-urban migration and aforementioned issues as it partakes not only in the allocation of land for various activities but also in understanding its distributional implications across other public policy outcomes of different sectors (Morphet, 2010). Thus, there is an urgent need to incorporate spatial planning within the broader system of planning in times of rapid urbanization and imbalanced regional development in the country.

Existing institutional arrangement for spatial planning in Bhutan

Currently, the mandate of spatial planning is hosted by the Ministry of Works and Human Settlement (MoWHS) by virtue of tending the responsibility of creating sustainable dwellings for humans. It is critical to acknowledge the efforts made by the ministry in striving towards the promotion of spatial planning through activities at various levels including the local level.

Although the ministry has prepared the Spatial Planning Standards (MoWHS, 2017) with the aim to ‘establish a common reference point for all those involved in the planning process to ensure the sustainable utilization of space’, it is presumed that awareness on spatial planning amongst the planners is low which has resulted in the poor implementation of the spatial

⁵ All four issues are key important challenges to spatial planning and the development of new spatial planning systems which are outlined in the UNECE Strategy for Sustainable Quality of Life in Human Settlements in the Twenty-first Century (UNECE, 2000).

planning in the entire planning process at national, regional and especially local levels. One speculation could be as the responsibility on spatial planning is stationed at a ministry rather than a separate institutional set up that has the overarching power on planning matters, it might have limited the reach of the concept to the wider relevant stakeholders, particularly planners.

The MoWHS has also drafted a Spatial Planning Bill which will be put up for enactment in this winter parliament session. The ministry initiated such spatial planning related documents bearing in mind the role of urban planning and land use planning for the improvement of human settlement, which is a major responsibility of the ministry. While the ministry has also acknowledged that the spatial planning is a multi-faceted approach taking into account of environment and other aspects, an agency rooted mostly in technicality will not be able to implement spatial planning to promote horizontal integration, i.e., the coordination and reconciliation of different policy objectives and government interventions of different sectors. Another type of integration that will also be enhanced through spatial planning is vertical integration which is coordination between the national and local levels (Thorold, 2019) which the ministry does not have enough capacity to facilitate.

Outline of policy options

1. Restructuring institutional arrangement for spatial planning in Bhutan
2. Constructing a comprehensive spatial planning system in Bhutan
3. Need for spatial planning at gewog level for a balanced regional development

Description of policy options

Restructuring institutional arrangement for spatial planning in Bhutan

Considering the bounded all-encompassing planning power, the MoWHS should continue to only provide technical backstopping vis-à-vis spatial planning rather than serving as a full-fledged body overlooking spatial planning matters. The institutional arrangement for spatial planning needs to be restructured in order to achieve the most out of spatial planning benefits and impacts. Some countries have also rationalized the arrangement of main hub for spatial planning. For instance, in Ghana, Town and Country Planning Department under Ministry of Environment, Science and Technology was responsible for spatial planning until Land use and Spatial Planning Act was formulated in 2016 as per which the Land Use and Spatial Planning Authority was established along with a Spatial Planning Development Fund. The Authority is provided support by the National Development Planning Commission in order to achieve its objectives of spatial planning (Republic of Ghana, 2016).

Similarly, it is about time for Bhutan to have a separate authoritative body to which the MoWHS can hand over the affairs of spatial planning and the planning commission can render support to it. In case, a separate body is not feasible due to several reasons including constraints on financial and human resources, the ideal option is to leverage the existing roles and responsibilities of the planning commission of the country to perform spatial planning related functions through the means of horizontal and vertical integrations as mentioned previously. The agency best placed to function as the lead agency of spatial planning is the planning commission of the country, Gross National Happiness Commission (GNHC) given its extensive planning coverage, mandates and rights.

The planning commission of the country, to a certain degree has incorporated spatial planning in the planning processes and plans without proper knowledge or awareness on it, or even

without the intention of applying spatial planning ideas in the formulation and implementation of the plans, mainly at LG level. One major contribution that GNHC has been making towards spatial planning is specifically through a program in the 12th Five Year Plan (FYP) called Common Minimum Infrastructure⁶ (CMI) that aims to promote equitable development of all the dzongkhags and even gewogs in the country by providing basic but critical infrastructure required for the development across all the dzongkhags. As per the guideline for the implementation of CMI (GNHC, 2019), the objectives of the scheme are to ‘reduce differences in jurisdiction’s per capita endowment of basic infrastructure and facilities’ and to ‘promote and achieve balanced and equitable socio-economic development’. The budget allocation for CMI is provided over and above the budget allocated through resource allocation formula⁷ (RAF).

In other words, GNHC has already been using spatial planning as a tool to carry out the distribution of developmental activities in local space, thus managing spatial development (Acheampong, 2018), although not intentionally. It is timely and appropriate for GNHC to be the nodal agency for spatial planning as the national planning and coordinating body that is in a better place to achieve horizontal integration as it is already responsible for integrating cross-cutting issues like social, economic and environmental matters at the same time, it will also enhance vertical integration through harmonization of the plans between national and LGs from spatial lens.

The planning commission that has the bird’s eye view of the entire plans should be in a spot to maximize spatial planning in the planning process as the approach is extensive in nature and underlines the need for policy integration, coordination and collaboration among multiple stakeholders (Morphet, 2010) which GNHC can achieve. The Comprehensive Development Plan that has some new developments on spatial planning, as mentioned earlier was completed in 2019 and has been handed over to GNHC by MoWHS towards the end of 2019 for its implementation. This clearly indicates a sense of trust in the planning commission by the ministry to be able to coordinate the implementation of plan including spatial plans of such importance and size. Thus, GNHC needs to evolve as a full-fledged planning body that takes spatial planning into account of overall planning.

One particular method to elevate vertical integration is strengthening the planning unit in the respective districts. Presently, all the districts have one planning officer (or two planning officers in few big districts) supported by assistant monitoring and coordination officer (on contract) responsible for every planning related matter, i.e., involved in almost every discussion and activity in the district. With devolvement of more power to the Local Governments in near future, it is crucial to rationalize human resource for a successful spatial planning and more importantly, create a few more positions related to spatial planning in the district. Each district could also have District Spatial Planning Committee under District Planning Unit, borrowing the idea from Ghana where they also have Regional Spatial Planning Committees as well (Republic of Ghana, 2016).

In order to bring spatial planning at the center of planning process, a structural change in the planning commission is also required. Apart from all the discussions to revamp the commission from within, an important structural change can also be achieved through merging of the most

⁶ The approved CMI activity list is in 12 FYP (Vol-III) of the respective dzongkhags, gewogs and thromdes.

⁷ RAF is a formula for allocating capital resources among LGs (Dzongkhags, Gewogs, and Thromde As) based on a set of key criteria that are representative of important developmental issues and needs of the LGs.

relevant external offices with GNHC that will be capable of boosting spatial planning and its implementation on the ground. One such office is the Department of Local Governments⁷ (DLG) which is under the Ministry of Home and Culture Affairs (MoHCA). It could be moved to GNHC and clubbed with the existing Local Development Division (LDD) that have similar mandates of working closely with the Local Governments as DLG. DLG should particularly look after spatial planning that has derived out of concern of complete absence of spatial planning at gewog level. There is a need for proper and comprehensive plans for gewogs which are well aligned with the plans at higher levels. Otherwise, development will continue to be skewed with the rural areas losing out the most.

Constructing a comprehensive spatial planning system in Bhutan

According to the Spatial Planning Standards (2017) developed by Department of Human Settlement under MoWHS, the national spatial planning system⁸ is organized in three tiers of national, regional and local as seen in the figure 1 below. The plans at higher levels of national (whole country) and regional (two or more dzongkhags) are prepared by the central agency (i.e., MoWHS). These types of plans are strategic in nature which will take 20 years of implementation and will be reviewed midway after the approval of the plans.

On the other hand, the local level plans of three types, valley development plan, structure plan and local area plan are prepared by respective Local Government and assisted, reviewed and monitored by MoWHS. These types of plans are more of regulatory in nature and depending on the type of plan, the timeline for the implementation of the plan ranges from 10 years with review in five years for local area plan and 20 years with review in 10 years for valley development plan and structure plan. The fourth or the last kind of plan in the national spatial planning system is the action area plan which captures an urban or rural or part of a local area plan and currently, the implementation and review timeframe have not been decided for it. The land mobilization mechanisms used are land pooling which is usually the least preferred method, and other favorable mechanisms are land acquisition and guided land development.

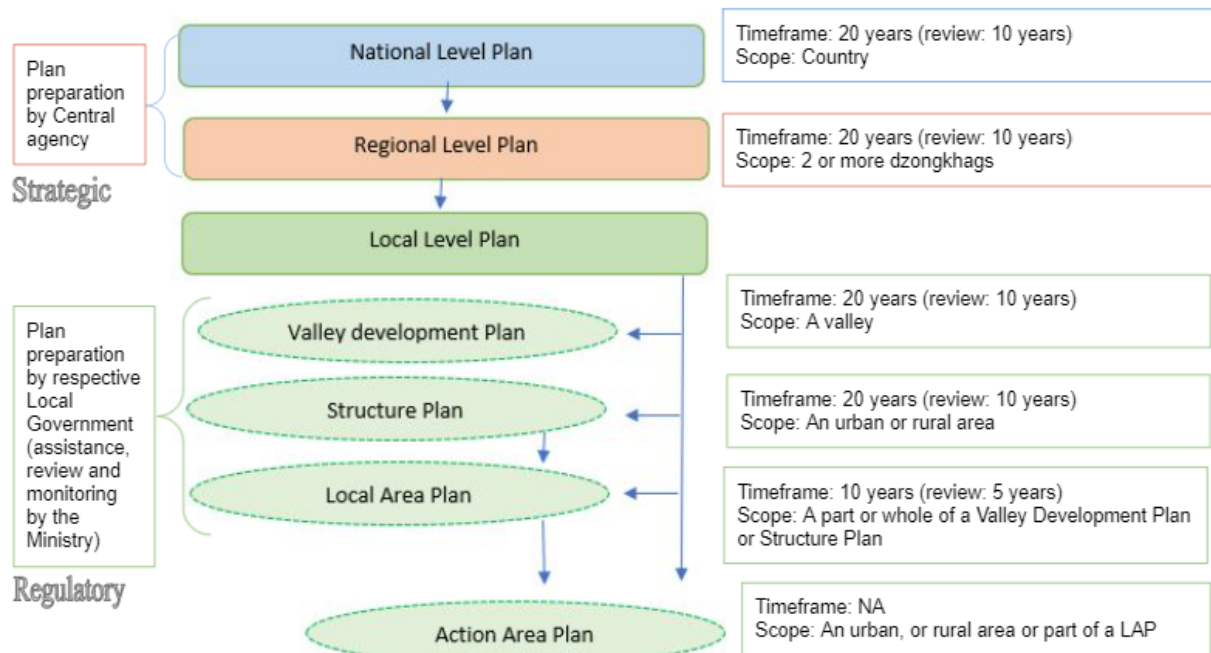


Figure 1. Spatial planning system in Bhutan

⁸ Spatial planning system as shown in figure 1 is slightly modified from the one received from MoWHS.

There is still confusion as to whether there is a national spatial plan or not. When it comes to the Comprehensive Development Plan, there is an understanding that the document is the national spatial plan⁹. However, in the volume I of final report of the Project for Formulation of Comprehensive Development Plan, there is a mention that “the spatial development plan encompassing the entire national territory has not yet been prepared” and that “the project will be the first attempt to envisage the national spatial structure in terms of its coherence with the socio-economic development and sector strategies”. There may not be clarity on the existence of a proper spatial plan at national level but the reports of the Comprehensive Development Plan have laid out extensive plans in different sectors including tourism.

Also, there are definitely no regional spatial plans at the moment although there are some efforts being made in that direction in the Volume I of the Project for the formulation of Comprehensive Development Plan (2019), with identification of some major regions such as Paro-Thimphu-Punakha/Wangdue will be formed as the National Capital Region, the Western region will be the “Business and Commercial region”, the Central Western region will be the “Agro-production and R&D Region” whereas the Central Eastern will be the “Tradition and Interaction Region”, and the Eastern Region will be the “Science and Incubation Region”.

Need for spatial planning at gewog level for a balanced regional development

All the dzongkhags have local area plans at different stages but are mostly confined to urban centers as of now. There is substantial possibility for further improvement in the spatial planning system in all the countries, especially for those in transition. Spatial planning if applied in the transitioning countries can provide an alternative path for steering development into a more conducive environment for investment to deliver economic, social as well as environmental benefits (Stead & Nadin, 2008). As Bhutan is facing rapid urbanization and also in transition to a Middle-income country category from Low-income country category, the country needs to build on the gap in the spatial plans by expanding the spatial plans at gewog level to achieve a holistic spatial planning system in the country because currently, the gewogs have been neglected for a long time. There are no spatial plans at gewog level and the main reason is that it will be extremely resource intensive affair. However, this should not prevent gewogs from at least having a common spatial plan that could guide their respective spatial plan.

Spatial planning, as per Archeampong (2018) ultimately shapes the distribution of population through the distribution of various activities. As of December 31, 2020, there are a total of 31,219 civil servants consisting of 26,698 regular civil servants and 4,433 on contract which is according to Civil Service Statistics (Royal Civil Service Commission, 2020). Thimphu dzongkhag has the highest number of civil servant population with 8,785 civil servants including civil servants of all central agencies located within the perimeter of Thimphu dzongkhag. This means almost 30% (precisely 28.13%) of the civil servants are residing in the capital as a result of all the 31 autonomous agencies, five constitutional bodies and 10 ministries located in Thimphu.

The central government is mainly associated with Thimphu city as the country’s government is located in the capital city where different government agencies are and government leaders work. However, the government is seen to be mostly disconnected from rest of the country. While it is important for the capital of the country to develop, it is more important to pay

⁹ Few officials from MoWHS informed that the Comprehensive Development Plan is the National Spatial Plan of the country.

attention to the lack of development in other parts of the country. It seems like adhering to the RCSC moto of ‘small and compact civil service’ is quite not possible, perhaps, it is right opportunity to take advantage of the growing size of the civil service by taking radical steps¹⁰ to reform it in a way that will factor in spatial planning as well. As long as all the headquarters of government institutes are cramped in the capital, there will not be an end to rapid urbanization including the concentration of private sector, with more people from other dzongkhags moving there for different reasons including job opportunities. Thereby, major developments as well as issues are inevitable within the city.

In the best interest of the country, the headquarters of the 10 ministries should remain in the capital to maintain the status of the capital city but all the autonomous agencies including the constitutional bodies should be positioned outside Thimphu dzongkhag as shown in figure 1 above. For instance, although colleges are spread all over the country, Royal University of Bhutan (RUB) need not be in Thimphu as it can play a more pivotal role in the east if relocated to Mongar to ensure regional balanced development through promotion of tertiary education in the central and eastern Bhutan, especially with the upcoming Gyalposhing IT college which would be immensely benefitted with the direct supervision from RUB. RUB can also reposition itself in keeping with the challenges and opportunities that the 21st century offers in terms of digital economy and industrial revolution 4.0 that has changes and continues to change the economic and social landscape of the country. Similarly, other autonomous agencies should be relocated to the dzongkhag where they can contribute the most in its development.

It is critical to adopt some radical changes through spatial planning to curb rural-urban migration leading to crowded towns and cities which may contribute in the economy but it may not certainly lead to the reduction of inequalities between the rich and the poor, rural and urban areas (Rodríguez-Pose, 2009). In line with the above, when civil servants of autonomous agencies are redistributed in other parts of the country, the population of Thimphu including the private sector might also disperse to other dzongkhags. This will help release development pressure from the capital and equally distribute amongst the districts. The immediate consequence could be availability of decent and affordable housing in Thimphu which is a result of market failure and as Acheampong (2018) has rightly pointed out that spatial planning is one of the tools at the disposal of the government to correct failure of market such as housing crisis.

This approach of planning is also extremely useful in tackling many other developmental issues such as illegal housing and development of land which is becoming a serious issue in the country too. There were more than 100 illegal constructions in Wangduephodrang in 2016 alone (Kuensel, 2016). The illegal housing and development of land, often in areas unfitted for development, is a common by-product of blurred planning regulation (UNECE, 2008). The absence of spatial policies, plans and enforcement also contributes to corrupt practices and ad hoc decision-making in the development approval process which results in poor quality of work.

In addition, other services of the city will also become more effective and efficient to the residents of the city. The other issue that the rapid urbanization of Thimphu has been controlling is the value of land in Thimphu city; if Thimphu city is deconcentrated, the land

¹⁰ Interesting information: Brazil built a new capital, Brasilia between 1950 to 1960 that replaced the previous capital, Rio de Janeiro because the latter was crowded. In addition, as the government buildings were far from one another, it deterred the government work and there was also heavy traffic. The new capital was moved to the central part of the country where it needed much development.

value will become reasonable relative to that of lands in other dzongkhags and therefore, bringing down the disparity between Thimphu and other dzongkhags to a certain degree.

In addition, 59.68% of the civil servants are under Dzongkhag and Thromde Administrations, which means only about 40% of the civil servants are serving in gewogs or rural areas (Royal Civil Service Commission, 2020). To put it in another way, the efforts in the development of the lowest forms of local governments have been poor in comparison with either dzongkhag or thromdes, not just human resource but also financial resources. There needs to be a shift in the developmental ideologies where gewogs are now provided the due attention and resources so that they are assisted to restore economic, social, environmental and infrastructural objectives in achieving the goals of balanced prosperity and sustainable development.

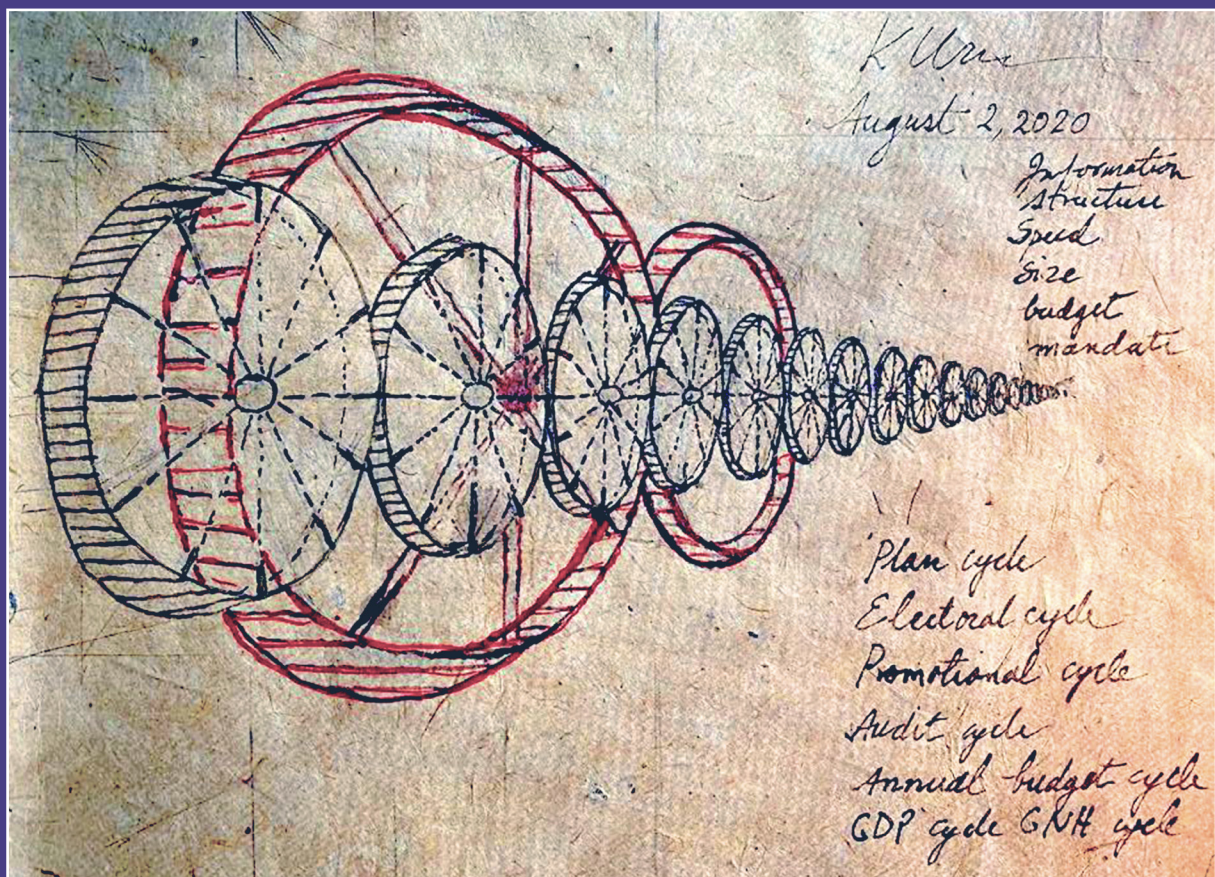
Recommendation

First and foremost, the institutional set up responsible for spatial planning should evolve, with the planning commission identified as the right agency within the broader context of planning as it has an edge over the MoWHS vis-à-vis promotion of both vertical and horizontal integrations. The spatial planning system of the country needs proper ramifications suiting to the developmental needs of the modern world at the same time, spatial plans at all levels particularly gewog level requires more attention to bring about a balanced regional development. Extensive Awareness on spatial planning for planners, especially at LG level is equally important to ensure maximum participation and inputs from them in order to accomplish inclusive and comprehensive planning.

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