



# The Executive

VOLUME I

NOVEMBER 7, 2018 - NOVEMBER 7, 2019

## YEAR IN OFFICE

Laying foundation for change

1,000 Golden Days Plus

Digital transformation

Removal of "cut off" for Class X

Narrowing gap through pay revision

Teachers, the highest paid civil servant

Mines and Minerals Bill

Densa Meet: the other Cabinet

9 Policies approved

AM with PM: Getting to know better

Revising Tourism policy

Tariff revision

Private sector development committee



Laying foundation  
for change





“Climb higher on the shoulders of past achievements - your task is not to fill old shoes or follow a well-trodden path, but to forge a new road leading towards a brighter future.”

**His Majesty The King**

Royal Institute of Management

August 9, 2019

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We seek to acknowledge our strengths and weaknesses as we take on the remaining years with more commitment and hard work.

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# Introduction

**O**n November 7, 2018, His Majesty The King conferred *dakyen* to the Prime Minister and ministers of the third democratically elected government.

Later that day, they took the oath of allegiance and secrecy and formally assumed office.

This marked the beginning of a new chapter in Bhutan's democratic journey. A party that was neither in the government nor in opposition took centre stage. They promised change, to narrow the gap, overhaul health and education.

One year hence, it is time to pause and reflect on what has transpired so far. In doing so, the government humbly presents *The Executive*, an annual magazine about our pursuits. It is a first of a kind.

The magazine encapsulates some of the initiatives of the government, with the executive at the core of efficient and good governance as enshrined in Article 20 of the Constitution.

But the intent of this publication is more than that. While it documents initiatives, it is also an opportunity for introspection. Have we done enough? Are we on track in terms of fulfilling our promises and goals? Could we have done better?

This government has always believed that open communications is key to the democratic process. The information in this publication, though far from comprehensive, will inform people on what the government has done so far. Our efforts and initiatives have been different and sincere, and people should



**His Majesty The King confers *dakyen* to the Prime Minister and ministers of the third democratically elected government on November 7, 2018**

know about it. It is only in their knowledge that we will be pushed to keep doing better.

We seek to acknowledge our strengths and weaknesses as we take on the remaining years with more commitment and hard work. We were clear from day one; it was about governance, not politics.

Adding a personal touch to the magazine is a section where ministers share their thoughts and experiences from the first year.

In adding to the wealth of information coming from the government, an annual publication of this nature can be adopted and followed by whichever government comes to serve. The more the feedback from people, the better the government.

It was a good start. It is only going to get better.

# From the Prime Minister

One year ago, on this day, with the blessings of His Majesty The King, the curtain lifted on the third elected government.

The empowerment and inspiration we received as we wore the five coloured scarves that descended from the golden throne immediately prepared us to embark on the journey, in service of the nation. We have come a long way since then.

From trying to figure out our place of work to getting to know the people and the system, every single day was a lot of learning and discovery. We had no time to waste. Every day, in everything we did, our motivation was to make a difference to the lives of our people. We promised change for the better, so we worked towards it.

Which is why, as we glide into the second year of our tenure, we wanted to share the stories of our journey, in which you are a big part.

This publication is not intended to assert what the government has done or achieved so far. It is expected to document the process, which could

prove a useful reference in future. But it is also an opportunity for us in government to reflect, draw lessons and embrace the coming years with more clarity and understanding.

As governments come and go, it is important to remember that our leaders in the past and our



Every day, in everything we did, our motivation was to make a difference to the lives of our people...

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**Lyonchhen Dr Lotay Tshering interacts with a woman in Laya during the recent Royal Highland Festival. Such forums accord opportunities for ground up feedback**

ancestors have sacrificed a lot to bring our nation to this state. A lot of tears and sweat have gone into keeping Bhutan prosperous and Bhutanese at peace.

Therefore, we have realised more than ever before the need to come together as a nation and work towards common aspirations, irrespective of the political preference during elections. We are a small country and any division is going to prove costly.

In this one year, we have made conscious effort in ensuring people are not divided along political lines. Besides that, we are all out to strengthening our system, initiating reforms that will have lasting impact, while also working towards building our economy and uplifting the lower sections of the society.

Our focus is also on health and education, as evident in most of the decisions we made. It takes time but much focus is also invested in addressing unemployment.

In our quest to bring about change for the better, we also come under pressure. Not all decisions go down well with people and not all popular decisions are good.

But dropping the idea altogether, or giving up the effort is not an answer. It would simply mean we were insincere in our pursuit and conviction. Ours is a humble government.

That does not mean we will rush decisions,

or pull stunts to show what we have done. Most of us in the Cabinet come from humble backgrounds. If anyone can relate to problems and challenges of our people, we come closest.

In everything we do, we will always place our people and country before everything else. We have been doing so.

My Cabinet ministers and I remain grateful to His Majesty for the noble guidance that keep us hinged on good practices of governance and decision-making.

We also take the opportunity to thank our bureaucracy, a team of professionals who offer strong backstopping in all our pursuits. They have ensured the transition was seamless. They brought along knowledge broad and experiences wide, and went all out to implement the thoughts and vision of the government.

Finally, we thank the people of Bhutan for trusting us with your votes, and for the opportunity to serve. Just as you did in this one year, we need your support and encouragement in the remaining four years. Let us work together and take this nation forward.

**Dr Lotay Tshering**  
**Prime Minister**



The changes we initiate today, the improvements we bring, will resonate into the future

# Initiating change

**M**ore than 40 Lhengye Zhungtshog sessions, another 30 Densa meets going late into the night, hundreds of presentations, countless hours of deliberations, emails, phone calls and messages.

The outcome in the process, the Committee of Secretaries is reinstated, Class X students are allowed to ascend to the next level as long as they passed, diplomatic rela-

tions with three additional countries are considered and salaries of public servants raised.

A new policy is endorsed to encourage foreign investment, while at the grassroots local leaders are given more authority to use resources at their disposal. In remote schools, nutritious food is made available for children and elec-

tricity tariff is revised to favour rural and low-income Bhutanese.

**COVER STORY**

These are some of the developments since the government began work on November 7, 2018.

Led by Prime Minister Dr Lotay Tshering and the Cabinet, and backed by the entire troupe of public servants, private experts and local representatives, the country saw some significant moves in the first year of the new government.

Cheering from afar, on social media and in person, from within the country and abroad, were Bhutanese citizens who provided suggestions and feedback, and encouraged the government to perform.

Coming in at the 10th year of Bhutan's democratic transition, it was only natural for the third elected government to fine-tune existing process-

es, bring people together and revisit priorities by drawing lessons from the past and build on the outcomes.

The first year was a good start to initiate change. The focus was not limited to fulfilling pledges. It was about strengthening governance and bringing about systemic improvements.

From trying to fit into the new role of governance, to settling down in a new home and new workplace, to figuring out how the system worked, the shift was overwhelming.

Yet, with blessings and guidance from His Majesty and support of the bureaucracy it was a smooth transition.

## Country before party

**E**lection period is a strenuous phase for voters, as much as it is for the political parties in the fray. As candidates and coordinators on the ground go all out to seek votes, and as people explore their choice of party, differences arise.

Therefore, in the first formal communication soon after the results were declared and Druk Nyamrup Tshogpa secured highest number of seats, Bhutanese across the country and beyond were urged to come together and take the nation forward as one.

In doing so, the message that it will be the Royal Government of Bhutan and not

DNT government, as many would put it, was loud and clear.

The intention to close any gap arising along political lines, and bringing people together irrespective of the party supported is also explicitly stated in the manifesto. Therefore, since day one, we have made mindful efforts to mend the cracks from politics.

Irrespective of whether the constituency's elected representative is from ruling or opposition, the government is pursuing its mandate in keeping with the overarching theme of Narrowing the Gap. In our governance, it is always the country first.



**The government's aspiration of narrowing the gap also includes mending any division created along political lines**

## Revisiting our vision

**I**n the language of a medical practitioner, Prime Minister Dr Lotay Tshering would often broach the idea of first scanning the system and policies, just as a doctor would scan for diseases in a patient.

Of the many diagnosis, one was the relevance of the Five-Year Plan development system in place since 1961. In fact, it is the strategic direction and such comprehensive planning our Monarchs initiated that made it possible for a small, poor and landlocked country to stand tall with the rest of the world.

But in this age of rapid technological changes overnight, are the existing planning mechanisms tailored to the requirements of the time?

The combination of the democratic five-year governments and the rapidly changing world, has made our planning model irrelevant in this day and age.

Of more concern is the slowdown of plan and

economic activities as one government exits and another joins. Could Bhutan have a more efficient and dynamic planning mechanism, catering to a shorter time period that responds quickly to changes in the surrounding?

The Gross National Happiness Commission (GNHC) was asked to come up with a more robust planning framework. As highlighted in the State of the Nation Report presented by the Prime Minister to Parliament in July, there was a need for an overall vision to take the nation towards common goals amid changing governments in a democratic setting.

The party manifesto talks about drafting a Vision 2045 document to work towards long-term goals and shared dreams. The government asked the commission to spearhead drafting the vision document. GNHC has started consultations with senior officials from the civil service, autonomous agencies, CSOs and National Council on the proposed long-term strategic development.

Guided by His Majesty's vision for the country, the commission decided on concrete strategies that would cover next 20 years, thus the Vision 2040. A preliminary report outlining areas of focus for next 20 years is expected by end of this year.

# LHENGYE ZHUNGTSHOG

PRIVATE SECTOR RBP PAY AND ALLOWANCES

EMBASSY IN AUSTRALIA

CIVIL SERVANTS PAY REVISION

CUT-OFF POINT

COMMITTEE OF SECRETARIES

FLAGSHIP PROGRAM & GUIDELINES

DAY FEEDING

DECENTRALISATION OF GEWOG CENTER ROADS

DOMESTIC ELECTRICITY TARIFF DIPLOMATIC RELATIONS

MANGDECHHU TARIFF

NON-SUBSIDISED LPG

# DENSA MEET

NATIONAL ENERGY EFFICIENCY AND CONSERVATION POLICY

FDI POLICY   EVALUATION DEVELOPMENT POLICY

EMPLOYMENT RESPONSIBILITY SYSTEM

ECONOMIC TRANSFORMATION INITIATIVE

NATIONAL SUSTAINABLE HUMAN SETTLEMENT POLICY   THE SPATIAL PLANNING BILL

## DIGITAL DRUKYUL FLAGSHIP

HOSPITAL AND SCHOOL FEEDING PROGRAM

GNHC POLICY   SCREENING TOOL

MINES AND MINERALS BILL

NATIONAL STRATEGY ON PERSONS WITH DISABILITY

DOMESTIC ELECTRICITY TARIFF

E-GOVERNANCE POLICY

# The 12th Plan is critical

How it plays out will determine the country's ascension from LDC status

**T**he 12th Plan is critical as it outlines the roadmap that would ensure country's graduation from the Least Developed Country (LDC) category. The transition has to be such that it lays foundations to sustain on our own after the graduation. It cannot be business as usual.

Therefore, no sooner had the new government assumed office than a team from Gross National Happiness Commission (GNHC) on November 13, 2018 requested to see the Prime Minister.

The third democratically elected government immediately sat down to ensure the plan aligned with the need of the hour, fulfilled its aspirations for the country, and most importantly, secured the graduation from LDC category.

After much dissecting and deliberation, a plan with 17 national key result area (NKRA) was arrived at. Towards the end of December 2018, a meeting between the Cabinet and GNHC convened at the Department of Culture office. The 12th Plan was good to takeoff.

## Drawing up the plan

Drafting of the 12th Plan began in 2016 with vigorous consultations with the public, the local governments, the various ministries and the political parties. Its basis was anchored to vision 2020 document, mid-term reports and the constitutional provisions. Emanating from these consultations were the national key result areas (NKRA), the very foundation for the first draft of the 12th Five-Year Plan.

As the nation geared towards the third parliamentary elections in 2018, manifestos of the four political parties were studied, compared and assessed to blend into the plan prepared by GNHC. Following the election outcome, the pledges of Druk Nyamrup Tshogpa that formed the government, were tuned with the 12th Plan for finalisation. The draft was presented to the Parliament on November 9, 2018 for deliberations.

# The Nine Thrusts

Identified flagships in the 12th Plan that merits and will receive the government's focus

**T**he government identified nine priority areas to lend its concerted effort towards addressing specific issues.

Done in collaboration with various agencies, the program, called the flagships, will deliver immediate and tangible impacts on our people. The programs, to be directly under the Prime Minister's Office, in terms of monitoring and ensuring their success, was allocated Nu 15 billion.

A project implementation unit will be instituted at the agency level and a flagship secretariat under the Gross National Happiness Commission, which will monitor progress of the flagship programs.

The progress of each of the programs will be reported directly to the Prime Minister's Office to expedite decision-making.

The flagships were included in the 12th Plan following consultations with those at the grassroots, all the way up to the ministries. Later as the draft 12th Plan was presented to the government, they endorsed it. However, the government had yet to approve the 12 proposed flagship programs.

It entailed multiple stakeholder meetings, series of presentations, detailed reviews, several consultations and wide media coverage to gain approval for the nine flagship programs of digital Drukyl, education, footprints of National Day, health, organic Bhutan, startup and CSI, tourism, waste management and water.

## 24/7 drinking water for all

Every household in Bhutan must have uninterrupted access to safe drinking and irrigation water

throughout the nation.

The engineering services department of the works and human settlements ministry will lead this effort under the water flagship.

The National Environment Commission (NEC) led the formulation of first phase of water flagship, which will be implemented by the ministry's engineering services. Although unspelt, the intention is to gradually work towards creation of an independent water agency to manage water resource, as highlighted in the manifesto.

## Managing waste



**Observing Zero Waste Hour, a clean up campaign on the second day of every month begins in May**

Visitors, including those from within the country, to Thimphu or any urban center should be able to identify waste bins from colours. This is our intent of nation-wide coverage scheme, from the grassroots to the urban centers, where waste management

flagship program will ensure end-to-end source reduction of waste.

We are looking at segregation at source with coded bins for all households throughout the country. We seek private sector support in recycling and converting waste into earnings.

The NEC is working on the waste management flagship with an approved budget of Nu 1 billion. Waste reduction at every point of the process as it takes off and establishing a conscientious monitoring system are its essence. The program will also look into managing stray dog population.

## Digitalising Bhutan

The way forward is going digital. With a click of a button on a computer system, a medical officer will be able to trace the whole medical history of a patient. This will be the electronic patient information system (ePIS), a small component of the Digital Drukylul flagship.

The information technology and telecom department under the information and communications ministry will take up the Nu 2.557 billion program. It entails developing a national internet grid and gateway on which all digital systems in the country will ride.

Digital identity, ePIS, e-business and digital schools are the key components of the flagship.

## Tourism

Exclusivity, no more peak or lean season and regional spread of tourism throughout the country is what this flagship will help materialise.

There is much of the world for Bhutan to explore for tourism and there is just as much of Bhutan for the world to explore that spans beyond select-hotspots today. To enhance Bhutan as an exclusive destination, guided by “high value, low volume” slogan, and for equitable spread of tourism in various parts of the country, the government has approved

Nu 1.5 billion for this flagship. Tourism Council of Bhutan, riding on its motto of ‘Taking Tourism to the Top’ will be responsible for it.

## Organic for niche market

Going green with green technology and expanding the scope of agriculture from subsistence to commercial farming is our focus for agriculture. This flagship targets high value products for niche markets.

In the face of a deluge of pesticide-sprayed food in the market that a growing number of Bhutanese are exposed to, the organic Bhutan flagship, with an approved budget of Nu 1 billion will initiate organic production at commercial scale.

With the agriculture ministry at the helm, the project will target potential markets abroad for socio-economic development and ensure safe and sustainable production of nutritious food.

## Startup and CSI

We intend to reduce imports and expand our export base. For this, our startups have the potential to manufacture local produce for us. We already have some products in the market. In the interest of their growth and for new ventures, we are excited about the launch of startup and CSI flagship.

Potentials in business startups, cottage and small industries wait to be realised and with it, their collective contribution to the country’s grand scope of socio-economic development.

Under Department of Cottage and Small Industries, a flagship on startup and CSI has been approved a budget of Nu 1.2 billion. The program focuses on building entrepreneurship culture, enhancing production of 20 identified CSI products and substitute imports.

## Narrowing gaps in health

The health flagship is designed to mend the gap between primary and secondary healthcare system in our country.

Cervical cancer, despite it being easily preventable, detectable and curable, unfortunately is the leading cause of death among our women. Overall, gastric cancer causes the maximum death. We are also seeing increasing cases of breast cancers. The health flagship focuses on prevention, early screening and treatment of the three cancers.

Through this, the government aims to take all basic diagnostic services to people at regular intervals. Ngultrum 1.3 billion has been allocated for the program, which will ensure common diagnostic services to the doorsteps.

## Digitalised schools

With rapid change and evolution of technology, a student or a graduate would still feel illiterate if they are not equipped with digital literacy.

Digitalising schools is not about introducing ICT or creating superficial awareness on IT. It is a serious

pursuit of engaging our students with ICT from day one and imbibing it into real time programming and coding at early stages of their school life. That way, rest of learning becomes easy, relevant and meaningful for them and the society.

To begin with, Nu 1 billion has been allocated to initiate this digital move and we have devised structured plans for building digital capacity of our teachers first.

This will ensure every school, however remote, to have an adequate IT lab.

## Imprints of the National Day

Every Bhutanese draws inspiration from His Majesty The King and His words of wisdom. We follow His Majesty's National Day addresses very closely and use it to guide our governance.

The footprints of National Day flagship is meant to understand and apply every single word of His Majesty's address. Only then do we abide by the adage "heavier than mountain and precious than gold".

The government has hence, approved Nu 2 billion for the flagship.

# Densa, the other Cabinet

**D**ensa is a weekly Friday evening meeting initiated by the government that allows the Cabinet to detailed deliberations on issues that need decisions.

It is an extension of the Cabinet (Lhengye Zhungtshog) meetings held every Tuesday and is designed for independent discussion and open participation of all concerned agencies.

It will thus help Cabinet decision-making process seamless and efficient.

Densa, which begins at 6pm every Friday and goes on late into the night, has ensured smooth decision-making and adequate time for discussion and rework on critical agendas to be approved in the Lhengye Zhungtshog.



**Cabinet ministers gain a thorough understanding of issues at Densa**

With two to three presentations lined up every Tuesday for the formal Cabinet meetings, it left little time for proper discussions and well thought out decisions. The Densa meetings has addressed this drawback.

The first Densa meet was conducted on January 4 this year. So far, 31 Densa meetings have been held as part of the Cabinet decision-making process. This is in addition to many other meetings conducted at residences of Cabinet ministers.

The Prime Minister's decision to reside at Lhengye Densa made this arrangement more convenient and effective.

# High value, low volume tourism

**T**he country, the government realised, had apparently drifted from the well-advised policy of "high value, low volume" approach to tourism.

To bring it back has meant for the government to redefine the tourism council membership, create the Tourism Development Board, draft tourism policy and conduct the first ever National Tourism Conference.

These initiatives help materialise the major recommendations of the Bhutan Tourism Review, 2016.

## New chairman

Breaking the tradition, instead of the Prime Minister, the responsibility of leading the Tourism Council of Bhutan (TCB) was handed over to the foreign minister considering the advantages of such a change. Besides the foreign minister's passion for developing tourism, it was the services from various Bhutanese embassies, missions and consulate offices that could be engaged in this effort.

## Dzongdas on board

Towards an equitable spread of tourism benefits in the southern and eastern regions, for the first time on TCB board are Dzongdas of Sarpang and Trashiyangste, who will represent interests of these two regions, in terms of ideas, concerns and plans with regard to tourism.

## Regional tourism

While we want tourists to visit Bhutan, we are aware of impending impact on our environment, culture and infrastructure.

Keeping this in mind, the government is in the process of finalising the national tourism policy.

The revised policy will ensure quality of service for the value of money.

## Talking top tourism

In March this year, the first ever National Tourism Conference themed 'Taking Tourism to the Top' was conducted with over 250 participants. This was a crucial step for the industry as it shaped the outlook of redefining tourism.

The government has been passionate about diversifying tourism – exploring different places, considering ways to promote all-seasons tourism, albeit rather mindfully of the due respect to its unique culture, tradition and biodiversity.

While the spread and concentration will be limited to certain districts, the government will ensure the benefits from the sector spread to all dzongkhags.



**All-season tourism and additional tourist destinations across the country will be explored**

# More focus on health and education

**H**aving pledged on the campaign trail to focus on health and education, the government immediately zoomed in on these two sectors on assuming office.

The idea was to build on the free healthcare and education for all Bhutanese as mandated by the Constitution. While much was achieved in terms of infrastructure, coverage and services, it was time to improve quality, relevance and also ensure fairness in access to health and education services.

The government is convinced that its overall mandate to narrow the gap can be achieved through good healthcare and relevant education.

Talks with the Indian government have been initiated to establish a multi-disciplinary hospital. During Indian Prime Minister Narendra Modi's visit in August 2019, the government received assurances of financial support. Proposals are being worked on with counterparts in India.

Numerous initiatives are also underway to improve services, upgrade skills of health workers and address doctor shortage. Following the Prime Minister's request during the trip to Bangladesh in April, about 20 medical specialists are confirmed to arrive soon.

One of the first major decisions of the govern-



**The government emphasises the need to educate children beyond textbooks**

ment also revolved around education when it did away with the cut-off point for Class X students. Despite criticisms from certain sections, the government went ahead to give youth the opportunity to complete higher secondary schooling.

The other major shift in education policy, children from pre-primary to Class III will no longer sit for exams with formative learning and assessment to be introduced from next year.

The two sectors were also at the heart of the pay revision that was deliberated in the summer session of the Parliament. In the overall objective to uplift the low-income group, teachers and health workers became the highest paid civil servants in the country.

Flagship programs overseen by Prime Minister's Office have also been instituted to give more focus and speed up initiatives in the two sectors.

The health flagship will focus on taking diagnostic services to the gewogs, a campaign promise of the government. The education flagship will focus on digitilising schools to complement the Digital Drukyl program.

# AM with PM: A dialogue with the Prime Minister

It was important for the government to know people and understand issues they were dealing with, more so in its first year. It was also important for people and different agencies to understand the government's intention and closely follow developments.

With the objective of engaging in honest dialogue with different individuals and agencies, the Prime Minister rolled out the AM with PM program.

It started in April, the first of which was held with the Supreme Court of Bhutan. Since then,

36 sessions of AM with PM were conducted.

As the Prime Minister would put it, he met them on his way to work in the morning. The program started at 8am every weekday, save for Thursday mornings when he dropped by at the national referral hospital.

The sessions included those with the media, CSOs, NGOs, corporate and private agencies, during which discussions and issues that transpired were recorded by a dedicated officer for necessary follow-ups.

AM with PM was also held with two other districts over a video conference.

**The initiative meant exchange and clear understanding between the government and agencies of one another's issues and aspirations**





**More than 4,000 students proceeded to Class XI following removal of the Class X cut-off point**

# Investing in our children

**T**wo months into its term and the government realised one of its key promises to the people of Bhutan during the elections. All Class X students who passed the examination advanced to Class XI.

But the decision was not for the sake of fulfilling the election pledge. The government felt an urgency, given the reality of

thousands of students being rendered out of education at the progressive age, every year.

It was about offering more than 4,000 Bhutanese children, mostly between 15 and 17 years, the opportunity to continue studying. The government always argued that the limited resources invested in everything else but our children would prove far costlier later. More than 1,500 seats were created in Class XI in various government schools in 2019 compared with 2018 academic year to allow more students to proceed to Class X.

This was an investment in our children. They were the hope and probably the only shot at better lives for some families in some remote parts of our country. The country's demography is indicative of the asset our young people are. The Constitution stipulates free education to all children and this decision of the government ensures the state expenses incurred until Class X does

not render itself futile.

Moreover, when minimum requirement for every training and opportunity in the market was upgraded to Class XII, it did not make sense to withdraw education support from Class X.

While maintaining the ideal teacher-student ratio, it was also found that additional 1,200 seats could be created in government schools. Private schools could accommodate more. Why not make space then?

The government is also convinced that

two more years of education would ingrain in them the required maturity and outlook for decisions they make after Class XII. On government's part, works are underway to explore as many pathways to engage as many youth in different fields.

Students and parents ought to realise the responsibility to make the best of this decision falls on them too. It is important to work together to ensure the investment yields good returns for Bhutan.

# Pay revised to close gap

**W**hen government received the Fourth Pay Commission report in April 2019, the first thing it did was upload it on its website for public feedback.

The Pay Commission had been formed exactly three months before that to examine and recommend revision of pay, allowances and benefits of public servants. Based on the recommendations, the government carried out several consultations to formulate the Pay Revision Bill 2019 for submission to the National Assembly.

The outcome, just as the government intended, narrowed the income gap by reducing

the Compression Ratio from 6:4 to 5:8. The lowest levels of public servants, ESP and GSP received the highest pay revision of 35 per cent, and Nu 3,500 monthly allowance.

For the first time, these public servants were also entitled for retirement benefits so their livelihoods were secured even after completion of service.

Besides uplifting the low-income groups, the government's focus was also to motivate teachers, to draw the best into the profession and improve quality and image, one of the critical ways to boost the education system.

Teaching became the highest paid profession in the civil service, followed by health-care workers. These were the two sectors that directly affected every family in the country.

Meanwhile, the pay revision included monetisation of vehicle quota and entitlement was also extended to gups and thrompons. The financial implication of the pay revision is Nu 4.530 billion annually.

Within the limits, government ensured that the pay and entitlements compensated and incentivised public servants while also ascertaining that the income matched the country's economic reality.



**The government believes that teachers play an important role in shaping lives of children, the nation's future**

# Rewarding the backbone of education

In the face of growing attrition of teachers and claims of lagging influence in the profession, the education ministry, in January 2019, put in for an increase in teaching allowance to the fourth Pay Commission.

With aspirations to retain the experienced and draw the best and brightest into the profession, the ministry proposed teaching allowance of up to 60 percent, beginning with 20. An additional 30 percent proficiency-based allowance in accordance with the Bhutan Professional Standards for Teachers (BPST) scheme was also proposed.

Based on the proposition, the government that accorded highest importance to education as it did to health, the chief obligation in its five-year term, approved up to 55 percent teaching allowance. An additional 20 percent proficiency-based allowance was included.

In the recent development, for the teaching pro-

fessionals at the Royal University of Bhutan (RUB), the government approved 55 to 75 percent teaching allowance, along with 10 to 20 percent proficiency allowance.

Apart from motivating existing teachers to continue in the profession such provision of allowances, it was observed during the BCSE 2019, also attracted a growing number of graduates to the profession compared with previous years.

In addition to this, the Cabinet also raised the stipends for trainees in Paro and Samtse colleges of education. While students in other RUB colleges would receive a monthly stipend of Nu 2,500, trainees in Paro and Samtse would receive Nu 3,500 to Nu 4,000 a month. The Postgraduate Diploma in Education trainees will receive Nu 5,000 every month as their stipend.

From this inflated pool of graduates, it is hoped some of the top performing graduates would enter the profession, contributing to quality of education.

# Taking APA beyond formalities

**T**o promote a culture of performance, to strengthen governance and improve public service delivery, our bureaucracy should strive for excellence. One way to do that is to ensure a meaningful Annual Performance Agreement (APA).

While much has been done in terms of instituting a system and rolling it out since 2015, it was time to sharpen APA for greater result and accountability.

Therefore, in a series of reviews and meetings, Prime Minister visited the government agencies to closely work on the deliverables of activities listed in the 2019-2020 agreement. Even before the visits, he would sit with officers back in his office to understand, research and get a clear understanding of the way ahead.

Despite good intentions, the agreement did not translate into desired outcomes, nor was it tied to performance and incentives.

“Were the targets set meaningful? Were we challenging ourselves enough? Are the resources allocated used to the maximum? Were the activities taking us closer to our national goals?”

Posing these questions to the agencies, the Prime Minister urged everyone to own the



**Lyonchhen urges everyone to own the annual performance agreement, not just sign and render it ceremonial**

agreement beyond signing and ceremony.

The agreements reviewed were aligned with national goals and government priorities, stating clearer responsibility and accountability for everyone to work towards fulfilling the targets.

The Prime Minister signed agreements with 10 ministries, 20 dzongkhags, four thromdes and the nine flagship programs.

Taking it to the next level in the coming year, the government intends to sign the APA before the release of budget for prudent investment in important areas.

# Block grant empowers LG

**T**he government closest to its people serves them the best. This is why the role of the local government becomes all the more critical in narrowing the gap. And for them to make the difference, local governments should be empowered.

With this reasoning the government introduced, from this financial year, the annual block grant at the gewog level, where the local government has complete autonomy to prioritise and approve development activities.

Unlike the development grants initiated by the earlier governments, which were outside plan activities, the annual block grant is within the plan and almost triple the size from past initiatives.

The annual block grant constitutes almost 50 per cent of the budget outlay for gewogs and represents a huge leap in financial autonomy at the local level. The centre will no longer prescribe to local governments



**Bigger fund at their disposal accords them the opportunity to generate more employment and economic activities**

what they should do with half the annual budget outlay.

The grant is expected to ease disbursement, expedite works and projects in villages, and promote accountability and ownership. This financial year, the annual grant for local government is just under Nu 3,000 million.

In the recent interaction with the local leaders at the DT/GT Chairpersons Conference in Bumthang, the Prime Minister urged local leaders to get creative and efficient with the fund at their disposal. He said this was an opportunity for them to get innovative, generate more economic activities and create employment for youth and villagers.

Keeping in mind Bhutan's transition from a Least Developed Country category, local leaders were encouraged to be modern and enterprising in their approach and outlook.

Capital grants for local government in the 12th Plan doubled to Nu 50 billion from the previous plan.

# Major tax reforms

**G**overnment has been working for months to introduce a major tax reform in the country.

Following series of presentations, reviews and inputs from experts, the government is in the process of preparing papers that would go as Tax Reforms Bill in the third session of the Parliament this winter.

This would enable government to achieve one of its important pledges of broadening tax base and recovering substantial amount by strengthening and streamlining tax collection.

The idea is to build an efficient tax system and introduce other reforms, including Goods and Services Tax.

The need to relook at the tax system has also be-

come imperative in the face of Bhutan's graduation from Least Developed Country category by the end of the 12th Plan.

A stronger tax system would help government mobilise additional domestic revenue.

Ultimately, the government is motivated to embrace taxes and tax bands that would recognise the

hard work of Bhutanese who are doing well, while supporting those in the lower income group.

Meanwhile, the reform is also exploring ways to recover revenue loss by sealing leakages through more digitised and automated system. It will also improve compliance and strengthen tax administration.

# TVET transforms

In the latest development, a National TVET Council debuts as an apex body that will govern and operate a robust and resilient technical and vocational education system in the country.

One of the major initiatives of the government has been in injecting new definition and meaning to TVET. The government also sees technical and vocational education as critical to solving unemployment, building a national workforce and making education more relevant.

In keeping with the detailed outlook stated in the party manifesto, the government started working soon after assuming office. Since then, late night discussions at the Prime Minister's Office, research, reviews and consultations have expounded on the TVET journey.

In September, the Prime Minister issued an executive order endorsing two working groups, one to look into institution and governance structure and the other to develop curriculum framework.

The Council, that will report to the Prime Minister's Office in the initial years, will move TVET



**Technical skills ought to be relevant to market realities**

out of the Ministry of Labour and Human Resources to function as an autonomous body.

A clear path has also been drawn for various certificate, diploma, degree and even master's programs after Class XII. This means students soon completing Class XII need not necessarily opt for courses offered by Royal University of Bhutan.

The Prime Minister reiterated that the objective of TVET transformation was that it should generate skills required for 21st century jobs, industrial revolution requirements and employability at all levels within and across border.

# Cautious steps in hydro

**A**cknowledging the risks associated with and the situation of the ongoing hydropower projects, the government is cautious about the sector.

The country embarked on the 10,000MW journey thinking hydropower could be the way forward. However, major hiccups in Punatsangchhu Hydroelectric Project I and II and Kholongchhu were lessons.

Therefore, the accelerated mode of hydropower construction was relooked and restructured in the new hydropower development strategy government adopted in March.

The government recognises that hydropower is a major driver of the country's economy and projects, which require huge investments, and must be completed with minimal cost overruns and delays.

To that end the government has, for the first time, signed annual performance agreement with the management of the Punatsangchhu Hydroelectric Project I and II.

The economic affairs ministry initiated the signing, with objectives to establish clarity on annual priorities that will ultimately help meet deadlines.

One of the most cost and time effective projects, thanks to the team and the past governments, the 720MW Mangdechhu Hydropower Plant, was commissioned in August 2019.

With Mangdechhu onstream, the Indo-Bhutan hydropower cooperation saw power generation leap to over 2,000MW capacity. The Power Purchase Agreement (PPA) for the export of power from Mangdechhu to India was signed on August 15, 2019 between Druk Green Power Corporation and PTC India.

The government formalised the export tariff of Nu 4.12 per unit with tariff schedule for 35 years.

Discussions are ongoing for the 2,560MW Sun-kosh project. If the two governments come to an agreement, the project will be the first run-off water reservoir project to be implemented between the two governments.

# Encouraging responsible journalism

**O**n the day His Majesty conferred *da-kyen* to the Prime Minister and Cabinet ministers, Prime Minister met with the Bhutanese media at his new office.

He spoke about working "heart-to-heart" with the media, welcoming constructive criticism and encouraging responsible journalism.

Since then, recognising media as a critical partner in informing the people of Bhutan, carrying out wider consultation and seeking feedback, the government initiated a number of media related programs.

In less than a year of its tenure, in what is a record of sort, the government held 31 press conferences, the last one being soon after returning from UN General Assembly.

This does not include issue of press releases, live broadcasts, emails and in-person interviews and numerous queries attended to on different occasions.

The media, on its part, participate with enthusiasm and delve into wide ranging issues and pertinent topics. All these ensure the government remain on track, while maintaining transparency in its functioning.

At the press conference on the first day of the office, the Prime Minister said he expected to hold a press conference of similar nature, as high and positive spirited, on his last day in 2023.

# Private sector-led economy

A country's economy can never progress beyond certain level without involvement of private sector.

It is almost a cliché to claim private sector is critical partner in nation-building, but its growth is desired, more now than ever, as the nation graduates from the Least Developed Country (LCD) category. The government therefore, sincerely aspires for a private sector-led economy.

While private sector has to play a major role in the economy, the government can come in to redefine conducive policies and remain a social sector that facilitates more through services and infrastructure. Which is why the mindset and conduct should change.

Subsequently, for the first time, the government established Private Sector Development Committee to serve as the highest forum for public private dialogue and also the channel to address issues, pursue reforms and solicit feedback.

Chaired by the Minister for Economic Affairs, the committee comprises four representatives from government and seven from private sector.

The committee, operating from the Bhutan Chamber of Commerce and Industry, has met four times and is all set to propose significant reforms to the government. It is understood that private sector suffers from legal constraints, lack of policy coordination,

lengthy bureaucratic procedures and finance, among others.

Two policies, Cottage and Small Industry (CSI) and Foreign Direct Investment (FDI), revised and endorsed in July 2019 are expected address some of the major constraints.

CSIs account for more than 95 percent of industries in the country and play a critical role in diversification of the economy. Therefore, the policy aims to further improve and regulate the environment to accelerate the growth of the industry.

Giving more focus, the government has also marked CSI as a flagship program with more attention to startups to encourage innovation and production.

Encouraging local entrepreneurs and business ideas, Bhutan Economic Forum for Innovative Transformation (BEFIT) was held in July, where more than 50 entrepreneurs exhibited their products. Together with Royal Monetary Authority, the economic affairs ministry organised the event that accorded high importance to this sector, while also promoting entrepreneurial culture.

Meanwhile, the Prime Minister urged the students of Gedu College of Business Studies, during their foundation day in October, to explore ideas and lead the private sector. As expected of a graduate from business school, the students were encouraged to become employers rather than seeking employment in government agencies.

# Meeting pledges

**O**n numerous occasions, the Prime Minister would reiterate the options facing an elected government. To do what was right for the country and being re-elected or being shown out. Likewise, to do what was popular for the country and being re-elected or being dismissed.

The Prime Minister always asserts that this government was bent on doing what was right for the country, irrespective of the outcome, which rested with the people, who in all of the elections so far, exercised wisdom.

But what the people of Bhutan should not allow at any cost, was the option of chasing popular pledges for re-election. A government must avoid populist handouts aimed at short-term political gains.

Therefore, as much as the party's manifesto was built on priorities of the people after thorough nationwide consultation, after assuming office, the government was mindful of reviewing them.

It was important to ensure the pledges stood to benefit the country and its people at large. The government will pursue its commitments based on the larger interest and pressing needs of the people and the hour. This is evident from much of what was achieved in the first year. In the coming years, many of our commitments will be pursued on this basis.

## Suung Joen and Wi-Fi

The two pledges are perhaps the most referred to of the government's pledges. They are a pick at the Parliament, press meets and a subject of derision on social media. The manifesto states that an app, *Suung Joen*, would be developed in the first 120 days.

While the government initiated a study and con-

sultations much before 120 days, implementation was delayed in considering "whole of government approach" for larger impact and better services. The services are expected to ride on the components of Digital Drukyl, which the government is working on for now.

In May, the communications ministry also called tenders to ascertain budget implications of the two projects.

Meanwhile, the government is considering initiating free Wi-Fi phase wise, taking off from important institutions like schools and hospitals first.

## Five percent voucher tax

The removal of five percent tax on mobile phone voucher is expected to come through as the government presents major tax reforms at the Parliament in the coming winter session.

The pledge that all political parties campaigned on, was based on the fact that the cut felt significantly for people at the grassroots and those with low income.

The government has been carrying out study and review of taxation policy and system, including the Goods and Services Tax (GST) and consulted experts on numerous occasions.

## Recruitment of domestic workers

According to the manifesto, the government was to initiate recruitment of foreign domestic workers by reviewing and amending immigration rules and regulations, while instituting stringent monitoring standards and guidelines. That was to happen within 120 days of governance.

The pledge was made following consultations with working mothers. In the absence of domestic workers to look after their children or aging parents, it was found that productivity and efficiency of employees were affected.

Since it concerned the country's security and immigration policy, it called for more prudent approach on the part of the government.

However, with the upcoming tourism policy and the digital flagship the government is pursuing, which would subsequently strengthen the immigration system and facilitate enhanced monitoring, the government will be encouraged to pursue the pledge.

## Conclusion

While working towards fulfilling the goal of narrowing the gap, the government always abided by the belief of doing what the government was elected for and not necessarily with the intent of being

re-elected.

In doing so, the pledges will be vetted like all government decisions and initiatives so they translate into what is of national interest.

But that does not mean the government will not strive to achieve the election promises. In fact, with each passing day, the government is more convinced of the reason and motivation to take part in the process right from the beginning.

In the remaining years of the term, the government will work every day towards realising every aspiration of the people and the country.



**Removal of five percent voucher tax will be considered with the major tax reforms the government is proposing soon**

# POLICIES APPROVED

FOREIGN  
DIRECT  
INVESTMENT,  
2019

NATIONAL  
POLICY FOR  
PERSONS WITH  
DISABILITIES,  
2019

COTTAGE  
& SMALL  
INDUSTRY  
POLICY, 2019

NATIONAL  
ENERGY  
EFFICIENCY &  
CONSERVATION  
POLICY, 2019

NATIONAL  
HUMAN  
SETTLEMENT  
POLICY OF  
BHUTAN, 2019

NATIONAL  
HOUSING  
POLICY

NATIONAL  
COMPETITION  
POLICY

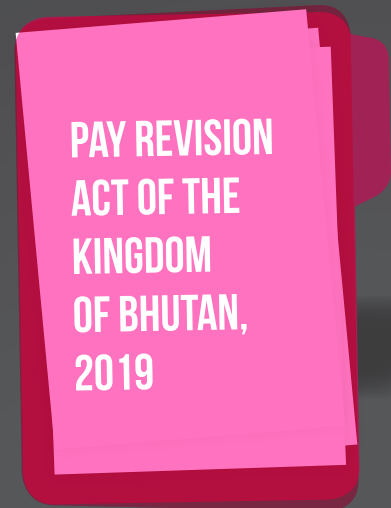
NATIONAL  
CONSTRUCTION  
INDUSTRY  
POLICY

NATIONAL  
SANITATION  
AND HYGIENE  
POLICY

## GUIDELINES REVIEWED AND ADOPTED



## LEGISLATIONS ADOPTED



## PROPOSED BILL



## MEMORANDUMS OF UNDERSTANDING SIGNED

34

## HEALTH



Health being the government's priority, numerous initiatives are underway

# Overhauling health

Healthcare resonated deepest among the people of Bhutan in the last elections, and was perhaps the main factor that tipped the votes in favour of this government.

To many Bhutanese the 'Path of Life' offers prescriptions for wellbeing of each individual and exhorts them to develop wisdom and compassion towards health and wellbeing.

To wish longevity and disease-free life (*Tshey Ring Ney Nyung*) is not just limited to Bhutanese habits, but is a universal practice built on sound human values. Unique to Bhutan, is our health system that is protected by our Constitution and nurtured by our successive Monarchs.

We are among a very few countries in the world that enjoy complete free health services.

## SCREENING + 1,000 GOLDEN DAYS + CERVICAL CANCER MULTI DISCIPLINARY + CHILD GROWTH + REPRODUCTIVE + POSTNATAL CARE

Article 9 of our Constitution ensures free access to basic health services and rightly so, everything, from primary to tertiary services are offered free by the government.

However, while free, there are equity challenges due to geographic location, and socio-economic variations. Having internalised these barriers to accessing good quality health services, the government started working towards people centric care, where Bhutanese people could avail of health services in the com-

fort of their own community.

But first, the government realised the need to secure funds for the plans it brought along. While the ministry was allocated a little short of Nu 4 billion for the 12th Plan, the requirement was more than three times the amount.

Therefore, the first year for health was also a lot more about laying foundations in terms of soliciting fund. And it has been a successful start, with the ministry being able to secure at least 70 percent of the total budget required.

## Taking services to the people

**B**hutan is the first country in the region to come out with the first strategic plan for cervical cancer, launched this year. It reveals the government's commitment and the road map towards its elimination.

The commitment to accelerate elimination of cervical cancer was reiterated during the 72nd session of the Regional Committee Meeting of the South-East Asian Region (SEAR).

Sustaining the efforts from the past, government introduced Pneumococcal Conjugate Vaccine into the routine immunisation schedule in January, 2019. It was especially targeted at children and the elderly.

In pursuit of taking healthcare services to the

unreached sections of the population, the health ministry continues to conduct international and national surgical camps throughout the country.

In the last one year, 12 international (plastic and reconstructive surgery camps) and 71 national (Eye, ENT, Gyn/Obs) camps were held.

Given that Non Communicable Diseases (NCDs) are a major public health concern in the country, and since two-thirds of the country's overall disease burden is due to NCDs, PEN (Package of Essential Non Communicable Diseases Interventions) has been piloted in three districts. This is a more patient centered form of the previous PEN protocol, which the ministry is all set to roll out nationwide.

Fleming Fund, which is the UK Government's grant investment to enhancing laboratory capacity for diagnosis and surveillance of antimicrobial resistance (AMR) sanctioned approximately 1.5 million Euros for two years (April 2019-March 2021).

## Green and sustainable health infrastructure

Bhutan has always been blessed with clean and pristine environment, and takes pride in being a carbon negative country. Taking advantage and translating this into practice, the government has prioritised green and sustainable health infrastructure.

While the government has always stressed and advocated on green and sustainable infrastructure for better health outcomes, it is the first time that such importance is placed in the Bhutanese health system.

A green and sustainable health infrastructure enhances the quality and services to the patients, supporting in the curative process through utilising natural resources in an efficient and environment-friendly manner.

This is also one of the viable ways forward, given the ever-increasing cost of delivery of free healthcare services and the health equity concerns across the country. This will enable us to optimise the efficiency and increase the quality of health services in all health facilities in the country.

This concept is also well tuned with the four pillars of Gross National Happiness, the national development philosophy of Bhutan.

Therefore, keeping in mind the plights of Bhutanese people travelling outside country to avail the high-end health services, a multi-disciplinary super-specialty hospital in Thimphu will be constructed with support of Government of India to provide quality healthcare at home.

A National Center for Infectious Disease that will serve as center of excellence to strengthen the prevention, control and management of the infectious diseases in the country will be constructed at Gidokom, Thimphu with support of JICA.

To supplement the services at JDWNRH, a 20-bedded Eye Nose and Throat Center is planned with support of the Royal Thai Government.

A 20-bedded district hospital for Thimphu is already initiated at Kawang with the support of Govern-



**Government's 1,000 Golden Days Plus drive benefits mothers and children**

ment of India.

In order to ease health related issues of the growing urban population and to bring the health services closer to the people, four satellite clinics will be constructed at Debsi, Bebona, Semtokha under Thimphu and Phuntsholing Thromde with support from Asian Development Bank.

## Inclusive health governance

Given the requirements in the field, frontline health workers need adequate skills and capacity. The ministry facilitated training of different categories of health workers with support from WHO under the Regional Director's flagship program.

A High Level Committee was reformed for effective executive decisions and guidance at the ministry. The membership of the committee extended to all allied health agencies to operate with a clear and concrete Rules of Procedure.

# A fair chance for every Bhutanese child

A visit to the *kuenrey* of the majestic Tashichhodzong and you will be mesmerised by the imposing facade of the 1,000 small Buddhas adorning the walls, each one meticulously crafted by the finest and devout artisans. Similar to the merits gained from the construction of each Buddha, in the life of a child too – each day leading to the first 1,000th – a period spanning roughly between conception and the child turning two years, accords a unique opportunity to enhance the health and wellbeing of a child. Research in the fields of nutrition, neuroscience and early childhood development provides key insights into how nutrition, care and associated conditions in the first 1,000 days shape the cognitive and health outcomes of a child.

In governance, we often find ourselves committing to building a vibrant economy and a stronger nation, and that to me, personally, is much about investing in the wellbeing of our mothers and children.

Today, there are countless scientific and empirical evidence indicating how nations that fail to invest in the first 1,000 days on its children's health, lose billions of dollars to high healthcare costs and low economic productivity in the long run.

Therefore, it is only logical for us to invest in our children today, if we want them to shoulder the responsibility of nation building tomorrow.

Since taking over the sacred responsibility of governing the country, we have been tirelessly working towards making the 1,000 Golden Days Plus a reality. Every component of the program has been meticulously designed.

Through this program, every Bhutanese child until the age of two years will receive all-inclusive package of health and wellbeing services. That includes conditional cash transfer for the under-privileged mothers to avail of the maternal and child services, such as immunisation, anten-

tal and postnatal care.

Additional services of early disability screening and micronutrient assessment to enhance the quality of maternal and child health outcomes are included. Recognising the need to have a comprehensive policy for our mothers and children, we developed and launched the first ever policy on accelerating maternal and child health.

This was then followed by the nationwide launch of our Sprinkles program. Through Sprinkles, every child in Bhutan today, receives the required micronutrient supplement sachets to enhance their nutritional intake and, therefore, boosts their cognitive development and health status.

Prescription to Play or P2P, a program to encourage and empower parents and first-line caregivers with skills to meaningfully engage with their children to stimulate cognitive growth, was also launched.

During this time, with unwavering support from our development partners and the perseverance of our health workers, we have started our journey to provide a fair chance for every Bhutanese child to realise his or her dream. In the coming years, Bhutan being the first country to implement all these critical initiatives at the national level, we hope to showcase the 1,000 Golden Days Plus program as a best practice, globally.

Most important, I sincerely feel these initiatives truly resonate with His Majesty's advice to Sherubtse College students during his recent audience that, "To prepare for the 21st century, we have to invest in our children. Bhutanese are extremely capable people and with the right opportunities and guidance, I have no doubt that Bhutanese children will achieve their full potential."

**Dechen Wangmo**  
**Minister**  
**Ministry of Health**

## EDUCATION



Many key pledges the government made in education have been realised

# Education comes first

## CLASS X CUT-OFF ♦ CENTRAL SCHOOL ♦ TEACHERS ♦ CO-CURRICULAR ♦ MID-DAY MEALS ♦ SPECIAL EDUCATION NEEDS

Accorded equal, if not more, significance as health, education was one of the first sectors that received government attention no sooner than it assumed office. In fact, the government fulfilled almost all of the key commitments made in education.

The removal of the Class X cut-off point, which merited speedy decision considering the urgency for students across the country having

already appeared the examinations, was significant. So was doing away with weekend classes and making teaching a profession to vie for through appropriate incentives.

Processes to discontinue examinations until primary school and review the central school policy are underway to be realised when the next academic session begins.

### Weekends off

Teachers and students in schools across the country started the 2019 academic session to Saturdays off.

Of many significant decisions arrived at, following thorough research and consultations during the 19th National Education Conference held in Phuentsholing around December end, 2018, this was one. The weekends would engage teachers in professional development through non-teaching activities in schools.

Two months following the decision, the ministry served a notification to all dzongkhags, thromdes and schools across the country to develop strategies to engage teachers on Saturdays for professional development and students for co-curricular activities. The idea was to, while not compromising on the required instructional time, enhance community

vitality through recreational activities.

The ministry, at regular periods, would study the impact of this and work to improving it.

### Central schools as envisaged

Submitted to the Cabinet, the ministry is awaiting direction on the revised central school program. Existing infrastructure and human resource was assessed for the government to be able to re-open community and primary schools in far-flung communities. Discontinuation of community and primary schools in some parts of the country in the past resulted in parents pulling their children out of schools.

Of many, the review recommended provision of mattresses, pillows and bed covers in boarding schools. Stationery and uniforms were to be provided

to identified students of indigent families.

Students in boarding schools would be provided three meals, while day scholars a mid-day meal.

It put in for additional facilities for 63 central schools, for the proposed 30 new ones, including 50-proposed boarding primary schools.

Apart from reviewing the central schools program, the ministry sustained five spill-over Government of India financed projects from the 11th Plan. The government took up the construction of five remaining schools of the 17 from the previous plan. It will be completed and handed over within the 2018-2019 fiscal year.

## Special care for special needs students

For education to be wholesome, it ought to also include and extend to children with disabilities. Mindful of that, the ministry established Special Education Needs (SEN) program in Damphu Lower Secondary School and Samtengang central school in November, 2018.

The same service spread to Autsho central school in October 2019. Today, 19 schools have the SEN program teaching children with various disabilities. By the end of the 12th Plan, the SEN program would have spread to 28 schools.

Two institutes specialise in educating the visually challenged and the hearing impaired. A total 840 teachers and instructors teach 697 children with special education needs.

Other initiatives include both in-country and ex-country training for teachers of children with disabilities.

Trainings also included, research and documentation of Bhutanese sign language for students with hearing impairment.

To gather data on inclusive and special education, Inclusive Education Information System (IEIS) was developed and included in the main Education Management Information System (EMIS). Users of the systems were trained in April 2019.

A party to the National Policy for Persons with Disabilities (NPPD), the ministry also endorsed the Ten-Year Roadmap for Inclusive and Special Education as the overall guiding policy for enhancing access and quality of education for children with disabilities.

## Building teaching standards

Much of the debate associated with the country's education system is in relation to its quality and relevance in the context of time and social change.

The ministry on May 2, 2019 launched the Bhutan Professional Standards for Teachers (BPST), coinciding with the Teachers Day celebration in Tsirang.

BPST defines the work of teachers, besides providing professional knowledge, skills, values and engagement required throughout a teacher's career. To commence around February 2020, it also offers guidelines for teacher recruitment, career development, promotion and rewards.



# Grateful to be in school

Getting up at five every morning for studies is not a trouble for 16-year-old Ugyen Wangmo. Rather she is grateful to be able to do so.

She nearly missed the opportunity to continue her student life, having appeared the exams in 2018. She passed the exams but it would not secure a seat in public school.

This would mean she had to stay home or look for a job to support her family. But at that moment, policy changed and she was told she could continue studying.

Ugyen Wangmo, a Class XI student of Utpal Academy, Paro, is one of the 4,225 students who were enrolled in different schools as part of government's scholarship program, aimed at keeping children in school after Class X.

Just as exams were approaching, Ugyen's mother, a single parent caring for seven children, fell ill. Ugyen's father passed away when she was in Class III.

"It would have been impossible for my mother to bear expenses to send me to a private school or abroad to study," Ugyen said.

Today, Ugyen Wangmo is grateful and commits to making the best of the "rare opportunity". She follows her school routine diligently and is one of the academic toppers in her class. She is also a voracious reader and a basketball and table tennis enthusiast.

Each day, Ugyen reflects on the day that has passed and lessons taught.

"I have nothing to worry about since all expenses are taken care of," Ugyen Wangmo said. "I am honoured and grateful for this noble initiative."

She wants to be a teacher when she grows up and help groom children and share with them what she has learnt.

Back at home in Yoeseltse, Samtse, Ugyen's mother is at peace, knowing her daughter is in school and receiving good care and education.

## AGRICULTURE



**Shift from subsistence to commercial farming is the way to go**

# Making agriculture more enterprising

## COLD STORAGE + EXPORT + INNOVATION COOPERATIVES + SCHOOL FEEDING + PRODUCTION + COMMERCIAL + BUY BACK

■ A majority of our people depend on agriculture and most of them are in remote pockets of the country. If the government is serious about narrowing the gap, it cannot be done without making agriculture the most important sector in the economy.

For our farmers, it is important to think beyond homes and to consider market production. For the government, it is important to explore export rather than import of farm produces. Moving from subsistence to commercial farming is the answer.

Past governments created enough farming conditions and interventions towards this. For this government, it is time for assertive actions so our farmers receive what they truly deserve while playing a big part in building the country's economy.

As highlighted in the party manifesto, government is going all out to introduce buy-back mechanism. In what is one of the innovative moves, school feeding program introduced in July this year will enable government to purchase farm produce from our farmers and farm cooperatives.

In this, Food Corporation of Bhutan (FCB) is a critical partner. We have already started working on revamping the role of the FCB to cater to the needs of the time. They will now indulge in buying produce from our farmers and work towards exporting them.

For this, cold storage becomes important and we have already started identifying sites. We will be seeking private sector partnership in this endeavor.

Meanwhile, as government continues to help farmers boost their production, enhancing irrigation systems is nonnegotiable. Improved irrigation materials like sprinklers, drip irrigation systems, hoses and water storage tanks were promoted in all dzongkhags for commercial vegetable production.

Water flagship under the government is expected to solve irrigation water problems.

Over 470 acres of land were brought under micro-irrigation schemes (drip irrigation and sprinkler irrigation system). Under the central execution, 45.50km of irrigation were constructed, benefiting 1,217 households in a command area of 1,740 acres.

# Organic farming receives boost

**R**ecognising importance of organic farming to environment, sustainable livelihood, health and nutrition, the government launched the National Organic Flagship Program in July.

The task force members under the Ministry of Agriculture and Forests drafted the proposal, 'Flagship program on supporting organic sector development towards enhanced food security and livelihood' for 12th Five-Year Plan to produce safe and nutritious food on sustainable basis in clean environment.

The program is expected to enhance organic production, its marketing, strengthen organic regulatory system and sustainable livelihood. As number of farmers and groups showing interest in organic farming grows, more products are expected to turn organic.

In 2019, six agriculture produce were certified as organic by Ministry of Agriculture and Forests.

*Thingey* (xanthoxylem) from Trongsa, rice and watermelon from Zhemgang, cassava from Pemagatshel and tomato and Adzuki beans from Thimphu were certified organic by the ministry on June 5 this year.

The government's flagship program further strengthens the National Framework

for Organic Farming in Bhutan, adopted in 2007, the year a conscious effort began towards organic farming.

A budget of Nu 1 billion has been allocated for the flagship program, of which Nu 189.9 million was earmarked for the current fiscal year.

The flagship program will be implemented in 20 dzongkhags covering a variety of crops and diary products. The organic flagship program comprises goal, objectives, strategies, result matrix, implementation modalities and monitoring systems for sustainability.

The program aims to sustain livelihood system through increased organic production, domestic production of bio-inputs, enhance organic value chain and marketing. It will also strengthen policy and institution and regulatory environment for the organic program.

To meet Bhutan Organic Standard provisions, farmers or agricultural groups seeking organic certification of their products are required to fulfill procedures mandated in the Local Organic Assurance System (LOAS) manual. Farmers are also required to attend basic training on organic agriculture, and agriculture extension officers provide assistance, including supervision of farms.



The government is also exploring international certification for its organic produce

# Feeding healthy

**S**tarting 2019 academic year, the government took over 13,105 World Food Programme (WFP) beneficiaries from 162 schools into its National Feeding Programme.

The feeding programme is now a national funded project. WFP phased out in 2018.

An additional 12,835 students in 115 schools, which did not receive meals earlier, were taken in under the programme. This came into effect after the Cabinet approved day feeding in all rural schools in April. With this initiative, parents feel less economic burden and children are able to continue school.

Currently, there are 41,706 boarding beneficiaries receiving 3 meals a day and 13,105 day feeding (2 meals a day) students supported by government.

Besides students, patients in hospitals are also recipients of nutritious and healthy food, sourced locally from farmers and cooperatives.

Ministry of Agriculture and Forests launched the School and Hospital Feeding Program, approved by the government on 30 July 2019.

According to a spokesperson from the ministry, the program was initiated to meet livestock





**Feeding students and patients through locally sourced produce is expected to enhance livelihood of farmers**

products, fruits and vegetable requirements of patients and students, for a balanced diet, with domestic production.

Locally sourced agriculture and livestock products, experts said, are safe, socially acceptable, economically sound and environmentally benign.

Short-term hunger and malnourishment occur in schools and pesticide and chemical residues over permissible limits have been found in some imported farm produces.

The program is also aimed at substituting food imports and providing farming communities an assured market, which boosts production as well.

Department of Agricultural Marketing and Cooperatives will facilitate a linkage between farmers, schools and hospitals.

Individual farmers, farmer groups and agriculture cooperatives, will be provided preferential treatment in supplying their produces to the parties.

A government executive order issued to supersede procurement rules and regulations

(amended 2019) empowers farmers, FMCL and BLDCL to negotiate and supply farm produces to the parties without having to participate in open procurement bidding.

It is expected that by the end of 2022, perishable supplies to institutions shall fully consist of domestically produced food.

Indirectly, the feeding program is expected to generate employment opportunities for about 4,000 youths in various value chain stages.

It is also expected to generate revenue for hundreds of farmers through various groups and cooperatives. Today, there are 459 farmer groups and 70 cooperatives engaged in agricultural activities.

According to a record, a total of 46,704 acres of dry land and 7,820 acres wetland are left fallow. With an assured market, there is huge potential to bring these fallow lands under cultivation.

The program, with budget of Nu. 3.198 million was developed in collaboration with the Ministry of Labour and Human Resources, Ministry of Education, Ministry of Health and SoEs.

## ECONOMY

Mangdechhu hydropower begins operations in August 2019



# Building stronger economy

For the ministry, the inauguration of Mangdechhu Hydropower Project lent the year quite the moment as it did for the nation a milestone in the five decades of Indo-Bhutan hydropower cooperation. Within two months of the project's two units (of the four) coming into operation, it contributed Nu 1.3 billion to the national revenue. On full capacity, which Mangdechhu has begun operation, the project

is expected to generate Nu 12 billion annually for the country.

Approval of domestic electricity tariff, in doing which the government granted subsidy to low and medium voltage consumers, was another big step the ministry took including adoption of hydropower development strategy report and policies like the foreign direct investment and energy efficiency and conservation.

## MANGDECHHU ♦ FDI ♦ WATERWAYS ENERGY ♦ TARIFF ♦ MINES AND MINERALS ♦



**Lyonchhen Dr Lotay Tshering and Indian Prime Minister Narendra Modi inaugurate the 720MW Mangdechhu**

### Mangdechhu arrives, with it, the power purchase deal

**T**he 720MW Mangdechhu Hydropower Plant was commissioned on August 17, 2019.

To mark a new milestone in the five decades of Indo-Bhutan Hydropower Cooperation crossing 2,000MW capacity enhancement with the addition of Mangdechhu's 720MW were the Indian Prime Minister Narendra Modi and Lyonchhoen Dr Lotay Tshering.

In the lead up to this main event, Druk Green Power Corporation and PTC India signed the Power Purchase Agreement for Mangdechhu on August 15, 2019. Sale of electricity from Mangdechhu was settled at Nu 4.12 a kilowatt hour (kWh).

### Revision of domestic electricity tariff

A significant bargain in the domestic electricity

tariff (2019/20 – 2021/22) revision for average urban Bhutanese user was the additional 200 units of electricity from existing 300 at prevailing tariff rate.

Referred to as the block II revision, the government approved the revision on September 10, 2019. The intention was to encourage use of electric cookers and appliances to replace non-renewable energy sources like the LPG and wood-based ones, which was one of the main commitments of the government, including revision of the tariff.

For low and medium voltage consumers, the government, in keeping with its narrowing the gap slogan, granted a subsidy of more than Nu 1,400 million a year.

### Foreign investment-friendly

In line with the government's pledge to review Foreign Direct Investment (FDI) policy to ease and smoothen processes to attract FDI projects, it launched the FDI Policy, 2019 during the BEFIT summit. The policy, in keeping with this commitment of the government, aims at making the policy relevant and friendly to investors, contributing to the country's ease of doing business ranking. One of the key changes in the policy was allowing FDI in identified small scale production and manufacturing sectors. The focus is also to harness technological knowledge, market, financing gap and skills from high-quality foreign investment.

### Guidelines to facilitate e-commerce

In an era of advancing digital technologies and when the world is riding on it to conduct business, it only makes sense for the country to latch onto the ceaseless opportunities it offers.

Although numerous government services have

been made available online, when it comes to business, save for those related to tourism, others are lagging. However, in recent times, as evinced by growing number of licences being issued against e-commerce startups and related trade, and in the light of both opportunities and challenges associated with it, the government launched the Guidelines on e-commerce in July 2019. In the absence of a policy, the guidance will serve to regulate the online transactions, a traffic of which has already begun in small-scale.

## Bhutan-Bangladesh trade over inland waterways

The first consignment of goods using inland waterways arrived from Bangladesh to Bhutan on July 2019, three months after the two nations signed an agreement on the use of inland waterways to transport bilateral trade and transit cargoes between the two countries.

The use of such a mode for trade between the two countries, especially for Bhutan, was historic, a culmination of Prime Minister Dr Lotay Tshering's visit to Bangladesh in early 2019, a few months after the elections and an expression of close bonds the two nations enjoy.

## Stabilising economic imbalance from accelerated hydropower development

In view of time and cost overruns and macro-economic imbalances emerging from accelerated mode of implementing the 10,000MW initiatives, the government adopted the hydropower development strategy report on March 19, 2019.

Following the adoption of the report, the government began reviewing the Electricity Act, 2001 and Sustainable Hydropower Development Policy, 2008 to enable

institutional reforms to achieve the economic goal of self-reliance through sustained economic growth.

## Energy efficiency and conservation

With the broad intent of reducing energy intensity and dependence on energy from fossil fuels, the government approved the Energy Efficiency and Conservation (EE&C) Policy on July 30, 2019. The policy, among others, will enable various actors in the economy such as building, industry and transport sectors to adopt EE&C measures and create enabling environment for private sector participation in adopting EE&C measures.

## Valuing mines and minerals

The Mines and Minerals Bill, in keeping with the parliamentary process, was submitted to the Second Session of the Third Parliament for deliberations. The Bill awaits discussion in the upcoming winter session. Of many, the bill ensures long term development of the mining sector; building mineral value chain; ensuring broad-based ownership; achieving economy of scale of mines; enhancing transparency and accountability; and ensuring scientific, environment-friendly and socially responsible mining.

Meanwhile, the moratorium on issue of new mining license, which existed since 2014 was lifted in August 2019. The rationale for lifting the moratorium was to enable those interested to apply and process the requirements, by which time the Parliament would have passed the Mines and Minerals Bill.

The government, in August, also drew up guidelines on leasing mines for applicants.

# A people-centric power tariff

Spreading the hydropower revenue subsidy even further among low voltage (LV) consumers, through targeted interventions, to reduce pressure on forests and dependence on LPG cooking gas, is at the heart of the new electricity tariff cycle.

The new tariff, while maintaining the 100 free units a month for rural households, has doubled the free units to 200 a month for highland communities such as in Merak, Sakteng, Laya and Lingshi, which experience more severe climatic conditions.

The intervention is expected to reduce burning of fuelwood for heating and cooking in highland homes and the risk of respiratory and other associated ailments. It is also expected to reduce pressure on forests and burden of fuelwood collection, which generally falls on women and children.

The 'urban poor' is another target group of the new cycle, which has maintained the previous tariff of Nu 1.28 a unit for LV Block I users as it is seen as the 'lifeline' for the urban poor.

For Block II users, the first tariff slab has been stretched from 300 to 500 units at the same tariff through the cycle. Likewise, the first tariff slab for Block III users has also been stretched from 300 to 500 units, with

negligible annual increases through the cycle. These measures are to encourage urban domestic users to switch to electrical appliances and reduce dependency on LPG. It is also expected to bolster the government's "Gyenkhue Initiative" and reduce dependence on non-renewable energy sources at present and strengthen energy security in the long term.

The government has also approved Block II and above tariff for CSIs (cottage and smallscale industries) to encourage young entrepreneurs to take up such activities in rural areas, create employment opportunities and slow down rural-urban migration.

For Block III (above 500 units a month) and LV bulk, the annual increase has been kept at one percent annually on the existing tariff to keep it affordable and with the hope that energy will be used judiciously.

Overall, the current tariff cycle is people-centric where benefits accruing out of hydropower revenue is spread to household consumers that need it the most. On average, the government will inject Nu 1,393.55 million annually to subsidise LV consumers.

One noticeable difference in new tariff design is that it also ensures a clear trajectory to reduce subsidy in long run to keep the scheme sustainable.



**Led by Lyonchhen, Cabinet ministers, opposition leader and trade officials exchange subsidised LPG for non-subsidised ones**

## Our Gyenkhu

In April this year, the government launched a campaign to ease urban demand for subsidised LPG cooking gas so it is more easily available for rural homes and economically vulnerable households.

The campaign urged better off urban residents to switch to non-subsidised LPG cooking gas to free up subsidised LPG for distribution to rural homes.

A non-subsidised LPG refill is Nu 722 in Thimphu, about Nu 200 more than the subsidised LPG refill, well within the means of a majority of urban residents.

The idea for the campaign came about with the shortage of subsidised LPG persisting even after the introduction of non-subsidised LPG, by the previous government, in January 2018.

Instead of enforcing new regulations, the government saw that a collective effort involving citizens could be part of the solution to create a fairer distribution of subsidised gas.

Bhutan imports cooking gas from India. Bhutan has a quota arrangement of 700 metric tonnes (MT) or 49,295 cylinders of subsidised gas a month and 1,000MT of

non-subsidised gas or 70,422 cylinders a month. The non-subsidised quota was increased to 1,000MT a month, following the visit of Indian Prime Minister Narendra Modi, in August.

On April 11 the Prime Minister, Opposition leader, Council Chairperson, Chief Justice and Cabinet ministers came together in Thimphu to surrender their subsidised LPG cylinders for the non-subsidised ones and formally launched the “Our Gyenkhu: A citizens initiative” campaign.

Since then, a number of government and corporate agencies, as well as private sector organisations and individuals have come forward to support the campaign. Records with the ministry of economic affairs estimate that almost 9,000 subsidised cylinders were replaced by non-subsidised cylinders and an additional 8,956 new non-subsidised cylinders distributed in the market since the Gyenkhu campaign in April.

As of October, there were as estimated 33,000 non-subsidised LPG cylinders in circulation since its introduction in 2018. Prices of non-subsidised refill fell by Nu 118 in July this year.

## FINANCE

e-PEMS ♦ CSI BANK ♦ SOE ♦ PAY REVISION ♦  
TAX REFORM ♦ DEBT ♦ FINANCING

# Towards inclusive and dynamic fiscal reforms

Some of the major reforms initiated by the finance ministry in the first year of the new government are pay revision for public servants, strengthening corporate governance of the state-owned enterprises (SoEs), streamlining the public financial management systems and creation of a Cottage and Small-scale Industry (CSI) bank for economic diversification.

## Pay Revision

**A**s pledged, the government during the first 100 days, instituted the 4th Pay Commission to review and propose pay raise for public servants.

The government reviewed and proposed the pay revision bill to the second session of the 3rd Parliament. For the first time, teachers and health workers became the highest paid civil servants.

Elementary service personnel (ESP), who form the lowest level of public servants, received the highest pay revision of 107 percent in keeping with the government's intent to narrow the income gap.

The pay revision also monetised the vehicle

quota exemption in lieu of the quota to provide choice to civil servants and extended the entitlement to Gups and Thrompons.

## Strengthening corporate governance

As directed by the government, the ministry carried out a review of the SoEs to realign their mandates and decongest private sector growth. The review helped the SoEs re-strategise their corporate mandates in line with the economic situation of the country and identified the need to encourage more private sector participation in the SoEs.

**The new ATR lands at the  
Paro International Airport  
on October 26, 2019**



## Streamlining public financial management system

Given the importance of upholding strategic needs to ensure better financial management, the ministry recognised the growing need to capitalise on digitalisation of public financial management services. Accordingly, the electronic Public Expenditure Management System (e-PEMS) was developed fully in-house and rolled out nationwide.

The e-PEMS system has intelligently replaced the conventional system of issuing 'paper cheques' and reduced risks associated with handling cash. It has also significantly reduced turn-around time in processing payments by government budgetary agencies.

This is one initiative geared towards promoting 'cashless economy' in the years to come.

## Dedicated bank for CSIs

The government has identified cottage and small industry (CSI) development as a 'flagship' program, signifying the increasing focus and attention towards diversifying and broadening the economic

## Financing the new ATR

The ministry helped mobilise financing to buy Drukair's new ATR 42-600 aircraft, which was delivered on October 26 and is expected to enhance regional economic integration and connectivity.

With Drukair's existing ATR 42-500 aircraft giving technical problems the national airline had, earlier this year, requested the government for financing to buy a new aircraft.

On the recommendations of the Cabinet and to reduce impact on convertible currency reserve and burden on interest subsidy, the ministry explored financing options from the SAARC Development Fund (SDF) under the Economic and Infrastructure Window.

The proposal was approved by the SDF Board with the lending terms and conditions of 10-year loan term, including a one-year moratorium. The ministry, as a guarantor, signed the agreement with SDF and the loan agreement was signed between Drukair Corporation Limited and SDF for USD 13 million on August 13, 2019.

The financing of the ATR 42-600 is the first loan under the Economic and Infrastructure window of SDF.

base of the country.

As one outcome of the SoE review exercise, the government has directed the ministry to establish a dedicated bank to enhance access to finance for CSIs.

The 'National Enterprise Development Bank Ltd' (NEDBL), a dedicated CSI Bank, will be launched coinciding with the 112th National Day Celebrations.

## Ambitious fiscal targets for better growth

The government reviewed the current fiscal targets as enshrined in the Constitution and Public Finance Act. Considering the growing economic challenges due to increasing trade deficit, the government has already reviewed the key set of fiscal indicators, which is containing non-hydro debt below 35 percent of the GDP and maintaining tax revenue to GDP at minimum of 12 percent.

In a bold and ambitious move to push growth, the government is considering enhancing these targets.

The government will also constantly carry out investment scoping assignments to identify critical gaps in the economy and bolster investment opportunities in the country.

Shifting the mindset to a more liberal market driven mode will definitely bring the next wave of challenges, but this ensures better fiscal and macro-economic stability.

## The journey ahead

The first year has been one of systemic consolidation and laying foundations for change. The focus in second year will be to bring together the reforms and ensure sustainable roll-out of reforms.

The ministry under the guidance of the Royal Government is working on the 'tax reform' measures, which is one of the toughest decisions for a democratically elected government. However, this reform is expected to lay stronger foundations for sustaining development activities as Bhutan is in the midst of graduating from LDC.

# Highest raise for lowest rung

**F**or Sonam Tshering, supporting a family of five on a monthly salary of Nu 7,000 has been a huge struggle.

He came to Thimphu seven years ago looking for a future after completing class VIII. And while he did find work as a messenger in a government office in Thimphu, it has been difficult all along trying to raise three children on a meager income.

Things have looking up for him since July when the government pay revision more than doubled the salary for Elementary Service Personnel (ESP) like him, who form the lowest level of public servants.

The revision increased his monthly salary to Nu.15,800 with increment, including a House Rent Allowance of Nu.3,500. This has significantly eased the financial difficulty his family has endured until now.

But what Sonam likes best of the revision is the introduction of Provident Fund (PF) benefits to all ESP employees like him. In Sonam's words it has, "secured his post retirement life". As a PF member, 11 percent of Sonam's monthly salary will be deducted for the retirement fund and the government will contribute 15 percent.



**Sonam Tshering**

With his post retirement life taken care of Sonam now wants to focus on the schooling and education of his three children. Sonam says he has enough reasons to believe his children will get proper education and grow up to serve the country.

Proud to be working as a full-time messenger, Sonam hopes to be able to buy personal transport with a loan, although banks have not agreed since ESP employees are on (two years) contract.

## LABOUR



Several programs were initiated to equip Bhutanese youth with relevant experience for employment

# Youth in focus for labour

■ To be able to tackle the problem of youth unemployment successfully, and reap the youth dividend in a timely manner, it is important that our young people are provided adequate engagement, and given livelihood opportunities. We have to equip them with skills that are relevant for work, not just at home but also in a global economy. Although the ministry came under a lot of flak for the “learn and earn” program in Japan, many initiatives were pursued to straighten the issues and introduce measures to broaden employment scope for the youth.

## SKILLS + EMPLOYMENT + TRAINING LOAN EXTENSION + SUPPORT + RELIABLE WORKFORCE

### Collaborating for impact

In order to address unemployment more effectively, the government instituted for the first time a collaborative mechanism called the Employment Responsibility System (ERS).

The ERS brings on board all the government, corporate, and private agencies to take responsibility and contribute towards job creation by mainstreaming employment agenda into their plans and activities.

Each agency is assigned a certain employment target to fulfill. Alongside, a high-level committee comprising representatives from different sectors, chaired by the Prime Minister, has been formed to monitor the activities. The committee is expected to resolve issues that hinder job creation and promote initiatives that facilitate employment.

### Engaging for employment and livelihood

The Youth Engagement for Livelihood Program (YELP) and Technical Intern Training

Program (TITP), are the two major programs the ministry initiated to engage our young people at work, while providing them the opportunity to acquire skills, gain experience, and secure employment ultimately.

YELP is a school-to-work transition program which will provide job seekers with opportunity to enhance their skills and gain work experience.

It has been designed to improve on the delivery and effectiveness of existing industry engagement programs.

TITP is an outcome of the Memorandum of Cooperation signed with the Government of Japan in 2018. The program will provide opportunity for Bhutanese youth to take up technical training internships in Japan.

The internship is expected to result in the transfer of skills, technologies and knowledge to the Bhutanese youth, which will culminate in the capacity development of Bhutanese.

### Making youth employable

Recognising the importance of quality and relevant skills in securing employment for our youth, the government started work on revamping the Technical and Vocational Education and Training (TVET), right from

the scratch.

As a result, the TVET system in the country stands poised for major reforms geared towards churning out skills that are relevant to the needs of the 21st century.

Besides the reforms that are being implemented on TVET delivery in the formal technical training institutes, Critical Skills Training (CST) has been identified as another key strategy to address youth unemployment in the 12th Plan human resource development master plan for economic sector.

The training is geared towards providing critical skills to young job seekers entering the labour market. The program, aligned with market needs, will seek to address skills shortage.

Labour ministry will be providing skills training to about 5,000 youth in the current Plan period with support from Government of India (GoI), PTA Project and Asian Development Bank funded Step Up Project.

The critical skills training will be implemented in partnership with different training providers regis-

tered with the ministry's Department of Occupation Standards (DOS). The program will have both aspects of institute-based learning and industry-based learning.

## Professional driving course revised

Among less prominent but more satisfying works that the ministry executed was the revision of the curriculum for Professional Driving License (PDL) that was carried out, following the government's election pledge to remove the minimum requirement of Class VIII qualification for PDs.

The removal of the educational requirement has not only increased the number of driving training institutes to 15 from seven, but also increased the number of people registering for the course.

# Education qualification for PD removed

**L**eki Wangmo received her professional driving license (PDL) a month back and it has empowered her as a mother, a homemaker and a provider for her family.

The government removed the minimum qualification of Class VIII for professional driving course.

Leki Wangmo now drives a taxi in Thimphu. She starts the day getting her children ready and dropping them off to school. Soon after her work begins, carrying passengers to various destinations in the city.

At 6pm she returns home to assume her responsibility towards her family.

“I’ve always looked at the option of being a professional driver but my education qualification limited me,” she said. “Getting the license has been life changing.”

After the education qualification waiver in June, PDL course offered by various training institutes have seen an increased number of enrolments.

Within two months, 1,001 trainees had taken up PDL.

The government decided to do away with the education qualification requirement during the Taxi Operator’s Consultation meeting on February 25. Driving was skills-oriented and did not require an education qualification, as long as other requirements were met.

To be eligible for the course a person should have three-year driving experience, a valid license and should be at least 25 years.

The duration of professional driving course has also been shortened to a month.

The assessment method for theory was also



**Leki Wangmo**

modified. Candidates can now be assessed via a viva-voce, in a language they are comfortable with.

The training also focuses on, besides traffic rules and regulations and road signs, basic personality development, *driglam namzha* and communication skills.

These changes have brought about an increase in number of driving training institutes from seven to 15, registered in nine districts. Like Leki Wangmo, an increasing number of people are finding employment opportunities, not just as professional drivers but in training institutes as well.

## FOREIGN

# Expanding ties, strengthening bonds

The country's foreign policy continues to be guided by the Royal vision. It has always been favourable for the country. On the way paved by His Majesty The King, Lyonchhen Dr Lotay Tshering visited India twice, in December on the invitation of Indian Prime Minister Narendra Modi following Bhutan's election and in May to attend Prime Minister Narendra Modi's swearing-in ceremony following his election. Bilateral visits between the two countries was sealed with the Indian Prime Minister visiting Bhutan in August 2019. The other close neighbouring nation Lyonchhen visited was Bangladesh in early 2019, a place of close association, where he spent over a decade studying medicine. As the government's first multilateral affair, the country's participation at the UN General Assembly towards the end of September was significant.

## An Australian Embassy

The government is in the process of establishing a resident Bhutanese embassy in Canberra, Australia in February 2020, coinciding with His Majesty the King's 40th birth anniversary. The government's request for this to Australia's Department of Foreign Affairs and Trade in July 2019 received support.

An embassy in Australia, it is hoped, will enable the two nations to expand its scope of bilateral engagements. It will also allow the government to provide effective and efficient consular services to the growing number of Bhutanese residing in Australia.

Likewise, the government is considering es-

tablishing diplomatic relations with 10 countries during its tenure. Most of these countries were or are already engaged with Bhutan in a significant way. They also have genuine goodwill, share similar outlook and have expressed long-standing interest to establish diplomatic relations with Bhutan.

## Closer ties

At the invitation of Indian Prime Minister Narendra Modi, Lyonchhen was on a state visit to India from December 27 to 29, 2018. It was Lyonchhen's first overseas visit after assuming office in November 2018. During the visit, Prime Minister Modi communicated the provision of INR 45 billion in grant assistance towards Bhutan's 12th Five-Year Plan and a transitional Trade

## INDIA ♦ EMBASSY ♦ UNGA PARTNERS ♦ LDC ♦ AUSTRALIA ♦

Support Facility of INR 4 billion over a period of five years to strengthen bilateral trade and economic ties. A second visit to India, from May 30 to June 1, 2019, again at the invitation of Prime Minister Narendra Modi, was to attend his swearing-in ceremony at the Rashtrapati Bhavan.

Shortly following that, Prime Minister Narendra Modi made a state visit to Bhutan between August 17 and 18, 2019 at the invitation of Lyonchhen.

The other close neighbour Lyonchhen visited was Bangladesh from April 12 to 15, 2019 at the invitation of Bangladesh Prime Minister Sheikh Hasina. The two countries signed six MoUs and SoPs to enhance cooperation and trade.

Lyonchhen Dr Lotay Tshering attended the European Development Days (EDD) 2019 at the invitation of European Commission President Mr Jean-Claude Juncker on June 18-19, 2019 in Brussels. The EU approved additional fund of Euro 7.3 million to Bhutan to establish the National Training Centre for Search and Rescue and the water flagship program.

## Development partners to support beyond 2023

The 14th Round Table Meeting (RTM) struck a resonant note of commitment from Bhutan's

development partners to continue their support for the country past 2023, while also ensuring its smooth transition from Least Developed Country (LDC) category to Lower Middle-income Country.

The forum, highest for policy dialogue between the government and its development partners, was held in Thimphu from March 12-14, 2019. One of the first major undertakings of the new government since assuming office towards the end of 2018, Prime Minister Dr Lotay Tshering inaugurated the event. Foreign Minister Dr Tandi Dorji and UNDP Administrator Achim Steiner chaired the meeting themed "Enhancing Happiness and Sustainable Development through Partnerships".

The meeting came at a critical juncture in Bhutan's development journey of graduating from the LDC category that it began as in 1961.

The 12th Five-Year Plan being Bhutan's last as a LDC is geared towards addressing the last mile challenges in Bhutan's development efforts to ensure smooth and sustainable transition.

Close to 200 participants, comprising representatives from Bhutan's international and resident development partners, ministries, constitutional bodies, Parliament, political parties, autonomous agencies, private sector, Local Government and Civil Society Organisations (CSOs) attended the meeting.



**With Lyonchhen Dr Lotay Tshering, Indian Prime Minister Narendra Modi during his state visit in August 2019**

## True friends

**W**hen Indian Prime Minister Narendra Modi made his state visit to Bhutan in August 2019, it was like a dear old friend coming over. By then, he had already met Lyonchhen Dr Lotay Tshering twice in Delhi and in those meetings, the two had hit off well.

Given the way the leaders and the people of the two countries nurtured the friendship over decades, it did not require much effort. But again, it is not like one can easily connect hearts.

To mark the visit, the two prime ministers formally launched numerous new initiatives, in the areas of

education, hydropower and space technology. But it was the unspoken but implied bonding the two prime ministers extended to each other that was the bigger outcome.

In what was a meeting of spirituality and passion, Prime Minister Modi reiterated his support to build a multi-disciplinary hospital for the people of Bhutan. He said he knew it was Lyonchhen's dream to have one and that he would do whatever it took to realise that. Lyonchhen, on his part, drew motivation to work harder.

It was those words of sincerity and mutual trust that gave deeper meaning to the friendship.

It is probably the reason why the two prime ministers, as their paths crossed at the United Nations General Assembly in New York in September, exuded sheer excitement and joy to see each other. Just like good old friends do.

## HOME

LOCAL GOVERNANCE + DECENTRALISATION + GAYDRUNG +  
LG ACT + NATIONAL ASSEMBLY + CONTRACT

# Driving decentralisation home

■ The home ministry's ultimate mandate is to safeguard sovereignty and national security. Good governance is a critical component, including that at the local government level.

Focusing on local governance, the National Decentralisation Policy was completed, the Local Government Act (2009) and Local Government Act (amended 2014) were amalgamated for ease of use and understanding. The post of *gaydrung*, which was to be removed after a organisational development (OD) exercise carried out by Royal Civil Service Commission (RCSC), was retained considering its role in local governance.

## Decentralisation Policy formulated

**T**he National Decentralisation Policy, completed in April 2019, was submitted to the Gross National Happiness Commission Secretariat.

A draft Implementation plan was also formulated and submitted.

The policy provides clarity of roles and responsibilities between central agencies and local govern-

ments with the objective of strengthening democracy and governance.

The local governments are mandated to increase people's participation in improving service delivery and decision-making process.

Ministry of Home and Cultural Affairs was directed by the erstwhile government in 2018 to formulate the policy. The recommendation came from the nationwide Local Governance Assessment Study carried out by National Council of Bhutan in 2015.

The policy was developed with the technical and financial support of Helvetas Swiss Inter-cooperation, based on their expertise and experience.



**Retaining *gaydrung* was one of the significant decisions the government made in relation to local government**

## Merged LG Acts

Following amendment of the Local Government Act in 2014, it proved rather difficult for users of the Act when it needed to refer to the two Acts at one time.

To address this challenge, the department proposed to undertake amalgamation of the two Acts legally.

As per the legal norms, the amalgamated Act was to be named as the original one, LG Act 2009, since the main Act remained unaltered and amendments were made in respect to few provisions only.

Accordingly, the two Acts were merged for easy reference.

## Recognising *gaydrung*'s service

While the position of *gaydrung* (gewog clerk) is not prescribed in the Local Government Act, their roles and responsibilities, including their relevance in the community setting has made them an indispensable part of local governance.

For these reasons, the National Assembly in January resolved to retain the post of *gaydrung* and regularise their service as civil servants if circumstances were favorable.

The term for existing *gaydrungs* was extended for three years, till April 2022. In gewogs where the post

was vacant, the dzongkhag could recruit *gaydrung* for the same term ending 2022.

In May, RCSC did not renew the contract of 74 *gaydrungs* it had recruited since the contract period expired.

Whether the service of the *gaydrung* is required became a matter for debate among concerned agencies like the home ministry, Royal Civil Service Commission (RCSC) and the Parliament.

Following this, home ministry carried out a study and submitted recommendations to retain the posi-

tion. It was found the *gaydrung* was critical for the functioning of the Gewog Tshogde (administration).

The *gaydrung*, according to the Local Government Rules and Regulations, 2012, collect tax and insurance premium, process land transactions, file and maintain records of official documents, and perform other official functions as directed by the gup, mangmi, and gewog administrative officer (GAO).

Today, there are 198 *gaydrungs*, of which, 129 are *drungyes* now serving as *gaydrungs*. *Gaydrungs* started serving in gewogs since the 1960s.


# WORKS



**A view of Thimphu city today**

HUMAN SETTLEMENT + MAWKHOLA + CONSTRUCTION  
OFFICE SPACE + HIGHWAY + HOUSING + ENGINEERS

# Developing sustainable infrastructure

 As a developing country, Bhutan continues to invest significantly in infrastructure development, vital for socio-economic growth, reducing poverty and eliminating social and political disparities.

Today, infrastructure development is taking place at a rapid pace, while being confronted by challenges of quality, quantity and availability of resources.

The ministry of works and human settlement (MoWHS) seeks to undertake development on a new footing of sustainability and value for money and to properly maintain investments made in infrastructure.

The following are some of the initiatives undertaken during the first year of the government.

## National Human Settlement Policy

**W**ith about half the Bhutanese population estimated to live in urban areas by 2020, the National Human Settlement Policy aims to manage the various changes in the natural and built environment brought about by urbanisation. As more people migrate to the major urban centres, especially from the eastern and central regions to the western region of the country, the demographic distribution and level of development at the national level will become skewed. Therefore, human settlements and developments will be planned and coordinated to foster regional balanced development.

The policy provides a broad framework to guide human settlement planning and prioritise devel-

opments within settlements, while also promoting culture and heritage, conserving environment, reducing and managing disaster risks, adapting to climate change, and enhancing socio-economic development.

The policy will also enable the government to rationalise the designation, use, and release of land and financial resources.

## National Sanitation and Hygiene Policy

The National Sanitation and Hygiene Policy aims to provide sustainable sanitation infrastructure, services and practices for a healthy, happy and productive society. The policy explicitly addresses the significant opportunities to professionalise sanitation and hygiene services in the country. The

policy will also contribute to long-term sustainable management of the environment, minimise risk to aquatic lives and streamline institutional roles and responsibilities for overall efficiency in the delivery of sanitation and hygiene services.

## National Construction Industry Policy

The construction sector contributes significantly to GDP (15.87 percent in 2017) and will continue to do so.

It is largely government driven, with the private sector yet to scale up to lead. Over the past decade the sector has grown steadily but has shown that it can falter with changing economic dynamics.

It is also beset with challenges such as lack and mismatch of skills; absence of streamlined procedures, standards, rules and regulations; lack of finance and technical capacity; indulgence in unsustainable construction practices; dependence on import of almost all construction materials; and poor-quality management practices.

Given these realities, the National Construction Industry Policy aims to empower and delineate the roles and responsibilities of agencies such as the Construction Development Board and the Engineering Council. It also looks to regulate and professionalising engineers and contractors, create employment, promote local construction industries and materials, and enhance construction quality.

## National Housing Policy

Housing is one of the basic needs to enhance human dignity. Given the priority of the government to address the issue of housing and home ownership, the erstwhile National Housing Policy of 2002 was reviewed and revised.

The revised policy aims to address high rent, availability of and accessibility to housing, low rate of home ownership and high cost of home acquisi-

tion among others. It will also address safety, eco- and energy-efficiency and community vitality.

The policy seeks to properly manage the housing sector in the country to ensure that every Bhutanese can afford to live in or own a decent home.

## Construction Manager Software

The ministry developed the Construction Manager Software, a tool specifically designed for professionals in the construction sector to streamline and automate processes of actually managing construction projects. More than 400 engineers from across all 20 dzongkhags, 9 regional offices of the department of roads and from other agencies have been trained to use the software.

With this software in place, the conventional method of using Measurement Books (MB), which is tedious, can be done away with.

## Guidelines for Office Space

Over the past few years, the trend has been that each government ministry or agency seeks funds and initiates construction of office buildings and there are more of such requests received. Therefore, the ministry, on the instructions of the Lhengye Zhungtshog and in collaboration with the Department of National Properties and the National Housing Development Corporation Limited, undertook an inventory of all government-owned buildings to rationalise the need for construction of new office buildings and consolidate office spaces for optimal use. This resulted in the development of the Office Space Guidelines for Government Office Buildings.

The guidelines will facilitate and guide the design of right office space and judicious use of office spaces for office functions. It will also promote equity among government agencies in use of space and serve as a reference point in approving construction of government office building constructions.

## Contract Exclusion Criteria

One parameter to improve the construction industry is by acknowledging performers. The ministry has, therefore, defined and adopted the Contract Exclusion Criteria, which was left unimplemented in the past, despite numerous resolutions to exclude non-performing contractors from bidding for public works.

In absence of the Debarment Rules, there was no tool in the past to exclude contractors who failed to meet contractual obligations.

To discourage non-performing contractors to bid for public works tendered by the ministry, the Contract Exclusion Criteria were adopted in 2017 and incorporated in contract documents from July 2019.

This will improve construction project management by ensuring public works are done on time and without compromising quality and minimal waste of resources.

The list of non-performing contractors will be updated on the ministry's website annually.

## Mawkhola Zam

The building of a bridge over Mawkhola in Gelephu has been lingering for over 10 years now. While there have been discussions about it on various forums, not much has happened to begin construction. The ministry initiated a feasibility study and design options are being explored. A Detailed Project Report of the bridge will be done within this financial year.

## Semtokha Bridge (Flyover)

The Semtokha Mani Dungkhor bridge connects to the widened North East-West highway and serves as an important point in disseminating traffic in different directions, including Thimphu city. But this single lane bridge is struggling to cater to increased traffic. The ministry has already designed a roundabout at that point to ease traffic and movement of vehicles. The construction will be initiated soon.

## Southern East-West Primary National Highway

To provide alternate routes for travel within the country and to open up remote regions, the ministry developed and adopted the Road Master Plan (2002-2027), which has identified the Southern East-West Primary National Highway, connecting Tendru in Samtse to Jomotshangkha in Samdrupjongkhar, as an important national highway.

While some routes, such as Lhamoizhingkha to Sarpang and Gelephu to Panbang in Zhemgang, are still missing the construction of two routes—the 74km Dewathang-Nganglam and the 58km Samrang-Jomotshangkha—have been handed over to Project DANTAK with the approval of the 12th Five-Year Plan. Project DANTAK will prepare the Detailed Project Reports to determine cost, alignment, and undertake construction.

## COMMUNICATIONS

Bhutanese farmers can instantly access government services once the Digital Drukyl flagship takes off



# Digitalising Bhutan

Of the many initiatives, information and communications ministry, leads the task of digitalising the country

**W**ith every reason for the nation to move towards it, Digital Drukyl is one of government's top agenda for the country.

The initiative, with blessings of His Majesty The King in transforming the society into a digitally competitive and competent one, has been the government's focus for the last one year. With the information and communications ministry taking lead on this, it is going to be a "whole of government" approach

that will integrate different systems.

Pursued as one of the flagships of the government, it intends to remove the existing digital gap ensure ICT relevance to all Bhutanese and standardise data quality, while enhancing its security and privacy components.

Meanwhile, strengthening Bhutan's media industry, streamlining efficient transport system and exploring electric vehicles are some of the activities of the ministry.

DIGITAL ♦ MEDIA COUNCIL ♦ FILM COMMISSION  
ELECTRIC VEHICLE ♦ TAXI ♦

# A push for electric cabs

## Maintaining Bhutan's carbon neutral status

A total of 26 taxi operators in Thimphu have signed up to buy electric vehicles (EVs) to replace their fossil fuel cars as part of the Bhutan Sustainable Low-Emission Urban Transport system project.

The project has targeted to roll out 300 electric taxis in Thimphu by 2021 and is one of government's initiatives to maintain Bhutan's carbon neutral status.

To enable taxi operators to buy EVs, the project will provide a 20 percent subsidy or a maximum of USD 5,500 on the vehicle cost, which, according to the project document, is priced at Nu 1.8 million. The Royal Monetary Authority (RMA) has also considered the government's request to increase loan financing for EVs to 70 percent.

The project will also set up 25 quick

charging stations in Haa, Paro, Punakha, Phuentsholing, Wangdue and Thimphu so there are adequate locations to charge EVs.

In an earlier interview with Kuensel, Bhutan Taxi Association's president Rinzin Chophel, had said taxi drivers were interested in buying EVs because it had benefits for the individual, the environment and the country.

Professional Driving (PD) license holders who have opted for EVs said it was only with the 70 percent bank financing and government subsidy they could buy electric vehicles. That the government would be installing more charging stations had also encouraged them.

The previous government put in a lot of effort to promote EVs. As of today, there are five electric taxis, all in Thimphu with five charging stations in Thimphu and Paro.

# For a stronger independent media

**O**f the ministry's numerous initiatives in the first year of the new government, the media received a boost with the establishment of Media Council and National Film Commission.

Acknowledging the importance of media in a democracy, the new government initiated the process to create these autonomous bodies to further strengthen and develop the Bhutanese media. The creation of these bodies is in line with the Information Communication and Media Act of Bhutan, 2018.

The Media Council will promote and protect freedom and independence of the media, while serving as a standard setting body to promote and enhance ethical and professional standards among journalists and media enterprises.

The council will also accredit and certify-journalists practising in Bhutan and curtail harmful, offensive, illegal or antithetical contents. It will also develop and strengthen the media market, improve competition and protect consumers. The council will hear complaints and settle disputes in relation to offences of content not amounting to criminal offences, provide recommendations on matters affecting the media sectors to the ministry and ensure objective and fair treatment of any person by the media. It will also protect the vulnerable sections of the

population such as children from undesirable influences of all media services and frame rules and regulations on matters relating to Media Council.

The National Film Commission will be a nodal agency for all film related works and is designed to bring a paradigm shift in managing the film sector, from restrictive regulation to facilitation.

It will provide professional support, including training and capacity development, and grants for meaningful mainstream films, art film and other non-commercial films.

The commission will also support participation in international festivals to promote Bhutanese films, maintain national film archives, rate and certify local and foreign films, promote and support theatrical performances and review film and other audiovisual content.



**Cabinet members interact with members of Bhutanese media houses**

# More inclusive and equitable

## Regulations governing taxi operations liberalised

**B**ased on consultations with operators, the government liberalised regulations governing taxi operations making it more inclusive and equitable, and expanding opportunities for those struggling to gain economic ground.

Taxis are an important para transit service catering to significant proportion of commuters and the key means of income for hundreds of families.

The commercial viability, efficiency and practicality of taxi operation is, thus, of paramount importance to the government.

The reforms, an outcome of meeting in February between the prime minister and operators, will also significantly reduce administrative and monitoring burden for taxi operators and government authorities.

The minimum Class VIII qualification required to obtain a professional driving license (PDL) was removed since taxi operators must successfully complete a two-month professional driving course and take a written and practical test to obtain a license.



**The government removes PD qualification and increases number of years for taxi operation**

While the operational life span of taxis has also been increased from nine to 12 years, the RSTA has been directed to explore taxis undergoing a road-worthiness test every six months so passenger safety is not compromised.

The need for a Taxi Operating Permit (TOP) has also been withdrawn and with it, new taxi registration restrictions in Thimphu and Phuentsholing, and jurisdiction restrictions, have also been lifted. This means taxis can now operate anywhere in the country. However, taxi operators cannot own more than one taxi under one name.

Dorji (name changed), who has served in the armed forces, said the removal of the qualification requirement provides an opportunity to individuals like him to earn an honest livelihood. “Driving a taxi is the only way to support my family,” said the former soldier. “The reforms do not discriminate between market participants.”

Another taxi operator said that operators will no longer be buying and selling Taxi Operating Permits and arguing over jurisdiction rights.

# Looking back

In this section, the Prime Minister and Cabinet Ministers share their thoughts and experiences on the first year in office. Coming with different professional background, bound by common dreams, the team work together with enthusiasm and passion.





## From scalpel to pen

All these years of my life, I observed various lapses in our system and its approaches. I genuinely felt the rush to participate in the process and make things work for the people, and contribute to the nation, in as many ways possible.

It is, perhaps, these burning aspirations that fueled my energy to work my heart out right from day one of the government.

The first year in office was gratifying but that is not because of the opportunity I received to serve as the head of government. The experience was unique because of the opportunity I received to make a bigger difference. To improve the health of the entire country and not just the patients, as I would always put it.

Really, I believed that if my surgical scalpel could treat a patient, with a stroke of a pen, maybe I could heal the nation.

And that is exactly the reason I joined the

political process. Having little or completely no experience of governance was an advantage. I came with an open mind, explored ways to get things done better and accordingly dealt with issues. I am confident this genuine, need-based approach, will definitely help reshape the system.

There is so much I need to do, to bring about change and improvement. That way, when I turn 80 or older and look back, I could say that I served my King, country and people to the best of my abilities.

Looking back into the year, it is perhaps the absence of any vested interest that gave me the freedom and objectivity to make clear decisions, in the interest of the nation. Each time I faced a dilemma, or faltered along the way, I found ready guidance in the Throne, which continues to be a huge boost and a source of confidence.

In everything I have done so far, I kept my King, country and people in mind. That is how it will always be.

**Dr Lotay Tshering**  
**Prime Minister**



## Taking tough decisions for quality education

Joining politics in 2013 was, for me, nothing less than going on a pilgrimage. A pilgrim is seeking a higher purpose with an attitude of a servant and a seeker.

For me, democratic ideals are the gift of our Kings, calling each one of us for a higher responsibility to seek and serve a higher purpose. It is a calling to our higher nature and deeper understandings. Having come from one of the humblest backgrounds, yet, receiving all the blessings that my country has given me, I want to serve to the best possible extent.

Taking on the office of the Minister for Education, in just a year, we have taken tough decisions, and have achieved powerful milestones. Some of them popular and some of them not so.

Several of the initiatives of the government in education such as the waiving-off of the class X cut-off point, making teachers the highest paid civil servants, waiving off Saturday classes, provision of resources in all boarding schools, provision of day meals to children - are decisions and actions which take years of struggle and

pain in some countries. Yet, we were able to achieve them within a short span of a year. My background in economics and finance have paid well as I have been able to use the knowledge and skills for effective utilisation of resources and garner holistic return on investment. His Majesty reminds us to love our country “intelligently”. I hope our initiatives are a reflection of this wisdom.

While much has been achieved, there still remains many more to achieve. If the first year has been a foundational year for us in setting the stage, the next four will be used in polishing and streamlining all these initiatives towards quality education. We cannot be complacent!

I really feel the importance of what Nelson Mandela said, that, “Education is the most powerful weapon which you can use to change the world”. I have the most committed team in education ministry and with their support, enthusiasm and positivity, the government hopes to achieve many more milestones that benefits our children and ensures our future.

Last but not the least, just as any genuine pilgrim would know, impermanence is the rule of all life on earth, and hence, I take each day with gratitude and humility for having been able to take this journey.

**Jai Bir Rai**  
**Minister**  
**Minister for Education**



## Nation first

During the elections, I was a member of a political party. I was all for the party and getting elected was the ultimate motive.

Today, not only am I elected, but placed in an executive position, heading a ministry.

The privilege accords for a far broader outlook, a responsibility that has to do with apportioning budget for the many development programs the government undertakes for the country and its people.

From where I stand today, having worked my way up from humble beginning, it brings me immense sense of duty to my King, country and people to serve to the best of my ability and humility uncompromised.

The day I joined office, I prepared myself to carefully study and understand the existing systems and identify drawbacks, if any. Although

unfamiliar, it entailed studying as many financial jargons as I began poring over reports myriad, to educate myself of the responsibility that has to do with divvying up what little resource there is for a country still developing.

Amid all that, it has meant for the ministry to analyse all of the government's pledges and explore ways to fit them into 12th Plan without impeding the progress the country is experiencing so far.

Everything I did in the past, including the year gone by, I drew inspiration, as I continue to, from His Majesty the King, the immense support from colleagues within the ministry and hopes and dreams of the people. Together we chart a vision for my ministry. For me, it's the nation and its people above all else.

**Namgay Tshering**  
**Minister**  
**Ministry of Finance**



## Not smooth sail, not unassailable either

It was a privilege to be accorded this opportunity to lead the ministry I feel closely associated with.

Although having worked on projects falling on the frills of the ministry's many activities in the past, which mostly involved working in remote communities with farmers, the association comes more from my growing up in the farms and working in the fields with my parents who were farmers.

I believe this is an opportunity to return to the fields in a different way and in a different capacity, one that lends me far greater opportunity to make a difference in lives of farmers across the remote corners of the country.

The ministry's emphasis in the first year was the school and hospital feeding program locally sourced through our farmers. Preparation for high-end export through RNR Enterprise Development was the other priority. The ministry was also mired in perennial challenges like riverbed surface collection, dredging for export and

discrepancies in seasonal farm produce auction, among others.

While we continue to tackle these issues, we have not lost sight of our greater responsibility of transforming the agriculture sector as spelt out in the government's manifesto under Sonam Gongphel.

We are clear about the ministry's priorities for Bhutanese farmers and enhancing their lives and the broader national aspiration of attaining food self-sufficiency. Before long, in the process of pursuing the greater goal, we would have fulfilled our other core pledges of employment creation in the sector and income generation.

For that, the ministry considers commercial farming and enterprise development vital. They are, by themselves, all a means to achieving the grand national aspiration. The last 12 months that I worked in the ministry has not been smooth sail.

However, with His Majesty's constant guidance, complemented by the Prime Minister's tenacious advice and invaluable support from my Cabinet colleagues, those in the ministry and the people, it has also not been all that unassailable a task.

**Yeshey Penjor**  
**Minister**  
**Ministry of Agriculture and Forests**



## Journey so far

I would like to begin by humbly offering my deepest gratitude to our Majesty The King, for bestowing on us the opportunity to partake in nation building.

I also am sincerely grateful to the people of Bhutan, for entrusting this government with the grave honour to serve the Tsa-Wa-Sum.

As I take a little moment to reflect on the past year, I feel a sense of joy, knowing that I

am a small part of this dynamic team, that is endeavouring tirelessly, to bring about socio-economic development in our beloved country.

Challenges ahead are big, but our resolve to overcome them are bigger. With the cooperation and support that I am receiving from my colleagues and friends in the ministry, I look ahead with confidence and vigour, and I am sure that when the end of my term comes, I will be able to afford a smile.

**Karma Donnen Wangdi**  
**Minister**  
**Ministry of Information & Communications**



## Towards people-centric care

Globe-trotting as an international public health consultant, the intent of joining politics never occurred to me, until the summer of 2018.

Fast-forward to the present day, not only do I feel truly blessed, but extremely fortunate to be bestowed with the sacred responsibility to serve my King, Country and the People. Today, shouldering the responsibility to espouse the government's vital mandate to deliver people-centric quality health services, the past one-year has been the most rewarding of my life.

I would like to sum up my first year as a consultation and diagnostic stage, where I spent many hours researching and scanning policies and plans and trying to identify potential tumors and misdiagnosis. It has also been about simultaneously trying to mobilise the much needed resources to fulfill our commitment to provide quality health services. It was a simple equation, the budget allocated to health for the five-year period was Nu 3.5 billion and what we needed, to implement our vision, was approximately three times more.

While scanning, it was evident that since the introduction of allopathic medicine in the 1960s, the primary healthcare system, with focus on

universal access to basic health services, served us well. But today, in the era of rapid transformation in medicine and our own epidemiological transition to more Non-Communicable Disease patterns, the need to restructure our health system is inevitable. Subsequently, I charted the way forward for our health system, the challenges were many, starting from our limited health resources to the sustainability of our free health services, and more important, the mounting opportunities to be realised.

On this journey towards people-centric health system, making services more accessible, especially at the grassroots, I had the pleasure of working with great minds, within and outside the ministry. I remain grateful for their unwavering support and commitment to serving our people.

On a deeply personal note, being able to balance the responsibility of being a single mother to my 8-year-old son and overseeing one of the biggest ministries with five autonomous allied health organisations would not have been possible without the unconditional love and support from my family and my Cabinet colleagues.

I am confident that, the journey will continue with much vigour and passion, under the benevolent guidance of His Majesty the King and the Prime Minister. May this great nation of ours continue to be blessed by the merits of the Triple Gem.

**Dechen Wangmo**  
**Minister**  
**Ministry of Health**



## A satisfying first year

I feel immensely blessed to have received this opportunity to serve The King, the country and people as the Foreign Minister. Since my first day, I have committed myself to serving with utmost sense of duty, responsibility and humility. With each passing day, my resolve and commitment grows stronger.

All in all, it was a satisfying first year. As a government, we made several key decisions in education, agriculture, mining and health in the first year, which will enable us to fulfil our goal of narrowing the gap. A substantial part of the year was spent in reviewing bottle-necks, identifying problems and developing strategies to overcome them.

We are mindful of the expectations of the people and we are as mindful of the consequences of hasty and unsound decisions. I am confident that with implementation of our strategies and initiatives, we will fulfill the hopes and

aspiration of the people

Specific to foreign ministry, my focus has been to build on the achievements of the past and expand our interests in areas of economic, cultural and technological diplomacy. As TCB chair, I am working with all stakeholders to have one comprehensive tourism policy and to implement the strategies that will bring equitable benefits across the country.

As NCWC chair, we are working to strengthening the rights of women and children and ensuring that services in all sectors cater to them.

In all these, I am always guided by the vision and selflessness of our visionary monarchs, His Majesty The King and His Majesty the Fourth Druk Gyalpo.

Although it may not be visible to the public instantly, I am confident concrete results will emerge as months and years go by. What we do and how they benefit the country and the people, will come to light and can be judged at the end of our tenure.

**Dr Tandi Dorji**  
**Minister**  
**Ministry of Foreign Affairs**



## Looking ahead with confidence

My first day in the ministry reminded me of my first day in school in 1987.

On that day in 1987, I had come directly from the cattle shed in the forest and was told that I would be returning soon after learning how to read and write.

I saw the biggest crowd in my life, about 50 students and parents, and the largest human settlement - Sakteng village. I entered a house for the first time with proper windows and doors. It was the school. I was completely overwhelmed!

In the back of my mind I missed my Yak, Dawa Tashi, and Karma, my Tibetan Mastiff. I had assured them that I would not take long.

Months and years passed by, I changed schools and textbooks got thicker. I was heading in a different direction and much responsibility lay ahead of me.

On November 7 last year, I took office as the minister of works and human settlement,

my parent ministry where I was working many years as an engineer. I felt like the cattle boy in 1987 – overwhelmed as the weight of new-found responsibility seeped in.

The past year has been satisfactory and fruitful, and I have gained confidence and hope to make the remaining days remarkable.

I am able to begin each day with optimism and strength. Thanks to all the guidance and support with which I am enriched everyday by staff of the ministry, relevant organisations and friends.

I clearly see challenges and hurdles ahead. The quality of public infrastructure, professionalism in the construction sector, innovation and modernisation of construction methods and timely delivery of projects will continue to be priority for the next few years.

In targeting livable human settlements, better infrastructure and a conducive environment for the construction sector, employment will be generated for our youth and market for our local products. The best team is in place and moving forward.

**Dorji Tshering**  
**Minister**  
**Ministry of Works and Human Settlement**



## An enterprising nation

When I was unexpectedly tasked to lead the Ministry of Economic Affairs, I was apprehensive. I saw opportunities, I saw challenges.

One advantage was my experience as a civil servant for 16 years. My first priority was to get the policy and legislative framework in place to serve as a basis for reforms.

The revised FDI and CSI Policies, Mines and Minerals Management Bill, Energy Efficiency and Conservation Policy are some of the important policy or legislative initiatives delivered so far and a few more are on the way.

To push the reform agenda, a Private Sector Development Committee has been set up in the Bhutan Chamber of Commerce and Industry and an advisory cell in the ministry, with cross sec-

toral representation to provide alternate views on economic matters, is also being established.

The next agenda is to have all policy and legislative initiatives completed or submitted by June 2020. Moving forward, the focus will be on economic diversification and structural transformation by working towards promoting an enterprising nation. A key aim is to boost farm economies and build sustainable trade and industry links with urban areas.

In exploring new frontiers to promote trade and commerce, the ministry has also initiated using inland waterways or riverine routes in Bangladesh for bilateral trade and transit cargoes. Embarking into digital trade and business by removing “landlocked” disadvantage to digital advantage is a key agenda. We cannot afford to be digital-locked, in a new era.

**Loknath Sharma**  
**Minister**

**Ministry of Economic Affairs**



## An exemplary democracy

I started my career as a young officer in 1978, waiting outside home minister's office. Today, as the home minister my journey has come full circle.

I feel like I am home and all for good reasons. The Ministry of Home and Cultural Affairs is entrusted with diverse but important mandates, particularly in the context of safeguarding our sovereignty and national security. The latter mandate is sacred to me for it is built on our cultural and spiritual heritage, our institution of Monarchy and *choetse lugni*.

In governance and policy drafting or implementation, it is crucial that this knowledge is in sight and not forgotten.

When it comes to our nation's security, there is no room for compromise, even if it means some of the pledges of the government are not fulfilled.

In an election process, I have observed,

political competition between candidates and political parties, and this is expected. The end result of this natural process, however, is divisiveness and deep wounds among people and within society. It is of important that political parts come together so wounds are healed and divisions mended.

We have a rare opportunity to make Bhutan's democratic system exemplary and we need not look far for inspiration. In the sacred wisdom of our great Monarchs lies the answer.

As Chairman of the Commission for Religious Organisations (Choedey Lhentshog), my focus is also on strengthening the institution and creating greater harmony between different religious groups in the country.

With vested trust of the people, coupled with an experienced and able team in the ministry, I look forward with hope and confidence to live up to expectations of His Majesty the King and the people of Bhutan.

**Dasho Sherub Gyeltshen**  
**Minister**  
**Ministry of Home and Cultural Affairs**



## Go the distance

Taking over the helm of a ministry, tasked with tackling youth unemployment, at a young age with no experience in the driver's seat, a year ago, my expectations for the first year were modest. But reality was different.

Barely a month after I assumed office, I found myself mired in controversy surrounding the 'earn and learn' program students in Japan, which was never of my own making. The negative publicity that ensued was overwhelming.

Mid-way through the year, my marriage and the family life – the bedrock on which stood my life and its pursuits – fell apart, despite years of trying to keep it together. I don't think I will ever be able to recover fully from the wounds it left.

Despite the obstacles, I rejoice at the fact that I was not only able to strike a balance, but

also move forward with key initiatives in the ministry, the result of which, I am hopeful, will show in coming years.

In the face of difficulties, I remind myself constantly of the purpose with which I embarked on this journey in the first place. I draw strength from realising that the opportunity I have is like no other, to serve the greater societal cause and that answering a higher calling like this would inevitably entail great sacrifices.

For a rustic boy from rural Bongzor who grew up dreaming of becoming a monk, the journey is as much spiritual as it is political.

The first year was a roller-coaster ride. But it was a ride from which I have emerged stronger, wiser, and more determined to go the distance.

**Ugyen Dorji**  
**Minister**

**Ministry of Labour and Human Resources**

# INTO THE SECOND YEAR

RE-ORGANISE MINISTRIES

MULTI-DISCIPLINARY HOSPITAL

INCREASED BUDGET INVESTMENT

MINES AND MINERALS BILLS

TOURISM POLICY

TAX REFORMS

HIGH VALUE, LOW VOLUME

DIGITAL IDENTITY

ECONOMIC DIPLOMACY

# Time for action

As government glides into the second year of the term

**A** strong foundation has been laid to help us propel into the next leg of our honest pursuit to effect change and improve governance for the good of the country and its people.

The first year has been a process of learning, taking stock of things as they are done, making account of any shortcomings and refining them to chart a course for the country in accordance with the government's commitments for the people based on their needs.

Many of our pledges were pursued, most of them saw fruition and some have taken a far grander scope, the benefits of which will ripple down generations. In our pursuits, we only bore the interest of the nation and its people, never meaning for them to be a display of political achievements.

There is much to do. The second year, we envisage plenty of actions, as we implement what was conceived in the first year. We also hope to be able to begin reaping fruits of the seeds we sowed in the first year.

As the government continues to improve and bring about reforms in the system, agencies would have to ensure they deliver

in keeping with the performance agreement targets, as budget release would depend on how convincing their goals and objectives are.

The budget for the next fiscal year will see a drastic increase, about 25 percent of the plan outlay. This is a strategic move to encourage more activities to take off during the initial years of the government's term. That way, the government could ensure proper monitoring, avoid politicisation of planned activities and achieve good result. After peaking until the mid-term, the budget allocation curve will drop during the later years of the plan.

We anticipate the coming of tourism policy that reinforces the wisdom of our monarch's vision of "high value, low volume".

At the Parliament, the government will pursue the Mines and Minerals Bill and the tax reforms bill. The two bills are vital in its pursuit to narrowing the gap.

As focus to strengthen quality and equitable access to health continues, we see activities at various levels taking off in the second year. As part of primary healthcare, the 1,000 Golden Days Plus package would incentivise mothers based on regular visits

to health facilities from time of conception.

At the secondary level, rural homes could expect health workers at their doorsteps for routine tests. It comes as part of the health flagship that intensifies fight against Non-Communicable Diseases and early detection of cervical and stomach cancers. This also help address one of the biggest challenges for people living in rural areas in availing of common health services.

At the tertiary level, the government is hoping to achieve progress in multi-disciplinary hospital in close consultation with counterparts in India.

Meanwhile, the government will henceforth pursue construction of only BHU level one. That way, the standards and quality of the facilities will meet the requirements as government takes improved services to villagers in later years.

In education, complementing the digital flagship initiative that is coming in a big way, works to “digitise” classrooms will also start. To ensure as many children are looped in at the right time, strategy is to manage this phase-wise, starting with primary schools.

To draw the best in teaching, the government will invest in the two colleges of education in Paro and Samtse. The process has already begun with significant increase in stipends for students in teacher training.

We also anticipate the coming of TVET Council in preparation to receive the Class XII graduates as soon as possible. The curriculum and pathway, which

would align with the 21st century needs would be distinct.

The government will continue assessing the relevance of university education, critically the courses, in the greater interest of employment and market reality.

As the government looks to CSI as the key channel to boost economy and generate employment, it is befitting to see it move to the ministry that concerns itself with employment generation. To that effect, a bit of re-organising is in the offing.

Once TVET goes autonomous, the big void at the Ministry of Labour and Human Resources will be filled by the Department of Cottage and Small Industry, currently with Ministry of Economic Affairs.

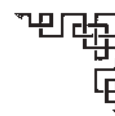
In finance, the government will explore as many borrowing avenues and pursue wise investment. Private sector will also be encouraged to look at markets outside Bhutan. In this regard, foreign ministry will be encouraged to include “economic diplomacy” in its scheme of affairs in international relations. It will look for business opportunities beyond the country, in which government, and the private sector, can come in.

Given all of the activities slated for the coming year, the nation is in for some significant and unprecedented overhaul. The nation needs this, our people deserve better and the time calls for it.

With this, we hope to present the second volume of The Executive, that encapsulates all these stories as we continue our journey into next year.



## Acknowledgment



This publication is an outcome of numerous players, an expression of team effort and an indication of the good in working together.

Led by the Prime Minister's Office, putting the publication together required inputs from all ministers and their agencies.

Amid office works and busy schedules, all ministers, with support from their media focal persons and other officials, poured in their support. It often crossed office hours and sometimes meant forgoing weekends to ensure the timely completion of the publication.

Our appreciation also to GNHC for sharing various information and verifying them for us and the Cabinet Secretariat for logistic support and valuable inputs.

This book is a culmination of what was gathered over several email correspondences, twice as many phone calls and meetings, through which information were shared and their veracity checked.

We look forward to working in the same spirit to bring out the second volume of *The Executive*, same time next year.











