



MANIFESTO

Second Parliamentary Elections
2013-2018

Druk Phuensum Tshogpa

འདྲ་མཉམ་དང་བདེན་སྒོལ་ས་ཁོ་རང་འདྲོངས།
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Towards Self-Reliance with Equity & Justice
A Harmonious & Happy Society



The significance of Druk Phuensum Tshogpa's Election Symbol

The black-necked crane *Thrung-Thrung* is an extremely rare bird, exceptionally beautiful and elegant. Endowed with amazing strength and endurance, it is humble, pacific and is admired as a symbol of spousal devotion.

Soaring high in the sky through the pristine environment, the three *Thrung-Thrung* represent the Tsa-wa Sum. They symbolize Druk Phuensum Tshogpas's pledge to honour, serve and to protect our King, country and people while promoting the highest of democratic principles and practice. They convey our commitment to balance material development with enrichment of inner peace and happiness while living in harmony with nature and all sentient beings.



**Towards Self-Reliance with Equity & Justice
For**

A Harmonious & Happy Society

With 11th Plan focus on
Urban Wellbeing, Rural Prosperity

manifesto

Druk Phuensum Tshogpa

In Pursuit of Gross National Happiness

 <p>Dr. Pema Gyamtsho Chhoekhor-Tang, Bumthang</p>	 <p>Dago Tsheringla Sombaykha, Haa</p>
 <p>Dungtsho Karma Wangchuk Chumey-Ura, Bumthang</p>	 <p>Gado Tshering Bji-Katsho-Uesu, Haa</p>
 <p>Chenchho Dorji Phuentsholing, Chhukha</p>	 <p>Karma Rangdol Gangzur-Minjey, Lhuentse</p>
 <p>Ugay Tshering Bongo-Chapcha , Chhukha</p>	 <p>Tshering Tenzin Maenbi-Tsaenkhar, Lhuentse</p>
 <p>Hemant Gurung Lhamoi Dzinkingha-Tashiding, Dagana</p>	 <p>Karma Lhamo Monggar, Monggar</p>
 <p>Sonam Jamtsho Drukjeygang-Tseza , Dagana</p>	 <p>Rinzin Jamtsho Kengkhar-Weringla, Monggar</p>
 <p>Dorji Khandu Khatoed-Laya, Gasa</p>	 <p>Ugyen Wangdi Dramedtse-Ngatshang, Monggar</p>
 <p>Kinley Dorji Khamaed-Lunana, Gasa</p>	 <p>Chenchho Dorji Dokar-Sharpas, Paro</p>

 <p>Khandu Wangchuk Lamgong–Wangchang, Paro</p>	 <p>Durga Prasad Chhetri Tashichhoeling, Samtse</p>
 <p>Choida Jamtsho Nganglam, Pema Gatshel</p>	 <p>Lila Pradhan Ugyentse–Yoeseltse, Samtse</p>
 <p>Jigmi Y. Thinley Nanong–Shumar, Pema Gatshel</p>	 <p>Rebecca Gurung Phuentshogpelri–Samtse, Samtse</p>
 <p>Zangley Dukpa Khar–Yurung, Pema Gatshel</p>	 <p>Thakur S. Powdyel Dophuchen–Tading, Samtse</p>
 <p>Namgye Penjore Kabisa–Talog, Punakha</p>	 <p>Karma D Wangdi Gelegphu, Sarpang</p>
 <p>SonamWangyel Wang Lingmukha–Toedwang, Punakha</p>	 <p>Nandalal Rai Shompangkha, Sarpang</p>
 <p>Norbu Wangzom Jomotshangkha–Martshala, Samdrup Jongkhar</p>	 <p>Choeki Wangmo Thrimshing, Trashigang</p>
 <p>Ugyen Dorji Dewathang–Gomdar, Samdrup Jongkhar</p>	 <p>Jigme Tshultim Radhi–Sagteng, Trashigang</p>

 <p>Lhatu Wamrong (Khaling–umang), Trashigang</p>	 <p>Nidup Zangpo Nubi-Tangsibji, Trongsa</p>
 <p>Thinley Palden Dorji Kanglung-Samkhar-Udзорong, Trashigang</p>	 <p>Udyā Chandra Bhandari Sergithang-Tsirang Toed, Tsirang</p>
 <p>Wangdi Norbu Bartsham–Shongphu, Trashigang</p>	 <p>Yangkhu Tshering Sherpa Kilkhorthang–Mendrelgang, Tsirang</p>
 <p>Dupthob Boomdeling–Jamkhar, Trashī Yangtse</p>	 <p>Gyem Dorji Nyishog–Saephu, Wangdue Phodrang</p>
 <p>Kesang Wangdi Khamdang– Ramjar, Trashī Yangtse</p>	 <p>Pasang Thrinlee Athang–Thedtsho, Wangdue Phodrang</p>
 <p>Kinga Tshering North Thimphu, Thimphu</p>	 <p>Gyambo Tshering Bardo-Trong, Zhemgang</p>
 <p>Yeshey Zimba South Thimphu, Thimphu</p>	 <p>Dorji Wangdi Panbang, Zhemgang</p>
 <p>Rinchen Dorji Draagteng–Langthil, Trongsa</p>	



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Foreword by the President

Writing a manifesto is an extremely difficult task. It is a declaration of the party to fulfill what it deems are the aspirations of the people and the needs of the country. It is a statement of goals, policies, plans and programmes by which the party intends to achieve what it pledges to do, all within a period of five years. It is the proposal by which a party seeks the mandate to serve. The document is also an instrument to gauge the accuracy of the party's assessment of the voters' expectations and the appropriateness of the means and the strength of will by which it will deliver while dealing with a host of other challenges and opportunities to take the nation forward. It is a document that must inspire – raise faith, confidence and hope. But it must be sincere and practicable as well. It needs to be both earthy and sublime. Therein lies the difficult nature of the task. How does one write poetry and prose at the same time?

It is true that the manifesto is often a document that is little read except by faithful party members and by those who want to find faults. It is often consigned to the shelves after the elections are over. Not so for Druk Phuensum Tshogpa! We have used the first manifesto as the basis on which we made ourselves accountable. While it formed the basis of our promises during our campaign, it also guided the government during its term. When its term ended, the government made itself accountable against each of the pledges in the manifesto. This is a tradition we intend to establish in our unique democracy.

DPT believes that a manifesto is the basic instrument by which the voter must judge the vision, intent and capacity of a party. It must be a principal basis by which a party is elected or rejected. Once elected, it becomes the mandate of the government. It is a five-year road map for democracy and the nation. It is a contract that binds the elected government and the people. It must be the yardstick by which a government is commended or condemned at the end of its term. These indeed, were the purposes for which we wrote the first manifesto and these are the same reasons that make this, the second manifesto, an equally sacred document.





Going forward is knowing where we are. It is on the firmness of the ground on which we stand that we, as a nation, can hope to spring forward as we must. It is a dynamic world, where change is a rapid blaze. It offers little time to pause and think. Yet, rapidity is the cause of mistakes that we can ill afford. In our eagerness to achieve what must be, we risk ignoring what is and must be cherished. So let us take stock of the state of the core of our being – the three elements of our nationhood, the Tsa-wa Sum. These must forever form the essence of our dreams; these are what must always flourish.

- i. **The King:** The Bhutanese people are well aware that our collective merit (Sonam) is, yet again, manifest in the jewel of a wise, compassionate and visionary King whose coronation and Royal wedding we had the fortune to celebrate. We are one in our understanding that as the *life-force* of our nation, His good health is our wellbeing and His joy is our happiness.
- ii. **The people:** Democracy has given power and greater self-esteem to our people even as they cherish the source of what is. We are prospering amid harmony, peace and happiness as a proud and expectant nation – confident that tomorrow will be even brighter.
- iii. **The country:** Bhutan is at peace with herself and with all countries. Her sovereignty and independence secure in the embrace of friends and partners, we are today a nation destined to play a role in shaping a safer, secure and sustainable world.

For a country that is devoted to the pursuit of GNH, where every citizen has begun to accept happiness as the purpose of development, this manifesto is founded on the four pillars of GNH. The politics of Bhutan must always be about raising the happiness of our people. It must be about creating those conditions that enable the people, across all regions, faiths and sections, to rise above the struggle for survival to pursue happiness. This is what the manifesto sets out to do.

But for a least developed country, the challenges are many and daunting. Ours is a young democracy, with an expanding education system and an economy that is still largely traditional. No generation, past or future, has faced or will face the challenge and opportunity of having to deal with the explosive proportion





of young and educated youth that are flowing out of our institutions, farms and cities. They are looking for opportunities, and their expectations, as prompted by our presently prospering economy, are high. They want to have what the older generation has gained from the early period of socio-economic transition. The future of Bhutan could very well hinge on how we are able to convert the challenge of meeting these huge demands for quality employment into a vast array of opportunities offered by an army of educated youth. We know that such an opportunity will not return as the energetic youth population is beginning to plateau, and with that, the gradual ageing of our population will begin.

Our economy must grow and expand rapidly. The strategy of the day must be to energize and stoke this growth by the very youth who depend on it. The small domestic market and a humble export base are other key weaknesses. Rural-urban migration, consumerism, and social disorientation are some of the other areas calling for attention and resources. Governance and democracy are issues that present no lesser challenges. At the same time, the global economic downturn and political expediency make self-reliance an urgent goal to be attained by the year 2020.

The manifesto offers strategies and solutions to these and many other issues, aspirations and challenges. Given the dynamics of our evolving world, there is no doubt that the ideas offered in it will undergo changes in the five-year period ahead.

It has been said that, in its eagerness to balance its own disproportionately large majority in parliament, DPT strengthened other institutional bodies which at times compromised its own functioning as a government. This may be true only in the sense that some of these institutions were also new and did not realise that we are committed to the same ends, the mandate of Bhutanese people, and that cooperating with the government need not compromise their independence. Druk Phuensum Tshogpa will continue with the same endeavours to strengthen the foundation of all the institutions of democracy, the opposition party included, so that they can fulfill their sacred duties as they have done so in the past five years.

DPT will always put democracy and good governance above itself and that of its members and government of the day. We are proud to have built a stable

foundation for our democracy. We leave government with the confidence that no succeeding governments can escape the scrutiny of oversight mechanisms and brush aside their role. They will understand that a critical media must not only be tolerated but appreciated. However, we remain convinced that the most vital element for a vibrant and resilient democracy is a democratic culture. This will take a far longer period than we might be inclined to accept. But we are encouraged by the sagacity of our people and their love and loyalty to their homeland and fellow citizens. On its part, DPT remains committed to its pledge to help develop this culture.

DPT welcomes the arrival of the new parties in the family of the Bhutanese democracy. DPT shall always remain grateful to its founding members and Bhutanese people for being one of the first parties in Bhutan five years ago when people were hesitant to take the plunge. Now with the entry of new parties, the choice for the Bhutanese electorate has widened and our democracy is more vibrant. I believe all the parties, new and old, are motivated with the right reasons. As we enter the theatre of elections, I am confident that we will together set an example of how good party politics and electoral campaigns must be conducted with the highest respect for the voters and for one another. I offer my best wishes to all the parties.

TASHI DELEK



(Jigmi Y. Thinley)

President

Druk Phuensum Tshogpa





Dedication

In the name of His Majesty the King, Druk Phuensum Tshogpa shall strive to fulfill the hopes and aspirations of the people. May the Guardian Deities of the Palden Drukpa bless us and guide us in all our endeavours to serve our King, Country and People

Gratitude

Druk Phuensum Tshogpa offers its heartfelt gratitude to all our fellow citizens for the five years of privilege to serve as the first democratically elected government. The party and its members remain firm and unwavering in our loyalty and allegiance to the Tsa-wa Sum. We humbly offer ourselves as a party that is always prepared to serve.

Our Vision

A vibrant democracy, where every Bhutanese shall pursue happiness in an environment of peace, prosperity, equity and justice.



Our Mission



1. To achieve economic self-reliance by the year 2020.
2. To eradicate poverty, raise the standard of living and enable pursuit of happiness through regionally balanced development.
3. To strengthen the legal, institutional and administrative foundations of democracy.
4. To ensure prevalence of the Rule of Law.
5. To promote harmony, peace and security within Bhutan and in the world.
6. To ennoble politics and politicians so that they are worthy of public trust.
7. To serve with humility, courage and devotion.
8. To fulfill all the pledges contained in this manifesto.



Introduction

The first five years of democracy were a remarkable period – not for the reasons we feared but for the reasons we dared to hope. If what has passed in this short period is an indication of what could be in the next five years, we have cause to be optimistic. Democracy's first set of steps has been firm and unflinching. As we prepare to take the second set of steps, we have the benefit of a direction that is already set.

What the future yields is the choice of the people. It is through the power of the vote by which they must make that choice. And that choice must be informed. It must be based on a careful assessment of what a party has done or what it offers to do and what can be expected of it. A variety of ideas on how we should move forward are on offer in the form of party manifestos from the parties.

Druk Phuensum Tshogpa's manifesto is a five-year road map to lead our nation into the next stage of development in pursuit of our shared vision of collective happiness. The journey along the 10 five-year plans has brought Bhutan to where it is today – from feudalism to democracy, from isolation to a globalized world, from ignorance towards a knowledge based society, from poverty to rising prosperity and wellbeing. All these were made possible by the wisdom and devotion of our great Kings, each of whom was and is a wish-fulfilling jewel, earned by the collective merit of a blessed people.

This manifesto reflects what DPT believes are the aspirations of the people and what the nation deserves. Through this manifesto we propose how the party, if given the opportunity to serve, will fulfill those aspirations and needs through

consolidation of the gains we made in the last five years and by embarking on a programme of new approaches and strategies to make our country free from dependence on external aid by the year 2020. We pledge to keep Bhutan on the path of holistic, sustainable, and inclusive development toward realizing the wellbeing of all life and the happiness of all Bhutanese people.

The achievements of our nation over the last five years have been noteworthy. We have reasons to be proud of the GDP growth average of more than 8%, unemployment rate of less than 3%, poverty reduced to 12%, full school enrolment, and our green cover having increased to over 80%, among others. But the challenges are myriad, especially for a country that refuses to tread the common path of economic development alone.

Emerging social issues will receive our highest attention to be addressed. In so doing, we shall take inspiration from the wisdom of our rich culture and its timeless relevance. While revitalizing and making our communities resilient, we shall continue to support and strengthen all aspects of our culture in their tangible as well as intangible manifestations so that our culture has the vitality to flourish and give the pride of identity and abiding values to hold our heads high and keep our feet firmly on the ground. We will build on the tremendous advancements made in the health and education sectors so that all Bhutanese will have access to and enjoy good and free health care as well as intellectual, skill and professional development. This manifesto makes very clear how we shall convert the challenges of youth unemployment into an opportunity for the nation. Through ease of movement and transportation





of goods and services by consolidating the vast infrastructure that we have built and expanded over the last five years, we shall improve public service delivery and the quality of life of our farmers and urban dwellers, and we shall reduce the cost of our economy to make our produce and products competitive at home and abroad. Further, we shall make public transportation affordable, safer and efficient by introducing new and alternative systems.

We will augment the policy and strategies in place to ensure that our environment will remain forever stable and resilient to provide the invaluable ecosystem services that in turn will guarantee our own survival. Toward this goal, we will make full-cost accounting (green accounting) and reporting a main basis for planning and policy making. Fully mindful that ours is an emerging democracy with attendant risks and dangers, we shall continue to dedicate ourselves to the development and infusion of the democratic culture that is only beginning to take root, so that good governance is not conditioned by the will of an elected few but by that of the people at large. We shall strengthen and enforce the laws, policies and programmes that will deepen and sustain justice and equity across all sections of our society. We will make our unique constitutional democratic monarchy succeed as a system where politics is a sacred word and politicians are bearers of truth and trust. We will build a democracy where leaders cannot abuse power and privilege but are driven by the sincerity of desire to serve.

The four pillars of GNH form the basic structure for the presentation of our vision and pledges. The main theme that resonates throughout this

document is **toward self- reliance with equity and justice** with the sub themes **a harmonious and a happy society; urban wellbeing; and rural prosperity**. Going beyond the standard party manifesto, it offers the substance of the 11th Five Year Plan that the DPT administration drafted for the consideration of the next democratically elected government. Each pledge is listed under its respective pillar and is presented clearly to lend itself to assessment at the end of the term.



STRENGTHENING THE FIRST PILLAR OF GNH

Equitable and Sustainable
Socio-Economic Development

1



Economy: Towards Eradication
of Poverty and Attainment of
Self-Reliance







The principles of Bhutan's development are founded in the unique development philosophy of GNH. They are premised on the belief that the purpose of development is to create and sustain living conditions that motivate and enable citizens to pursue happiness in a world of diminishing resources. At the individual level, it is about balancing the needs of the body with those of the mind. It is about complementing material wants with spiritual, mental and emotional needs within a stable and sustainable environment.

But, for a country that has yet to cross the threshold of poverty to become a non-aid dependent middle-income country, meeting basic material needs is still the priority.

- Reality is a daily struggle for survival for a large section of our people (12%).
- For an economy which is yet to develop its fundamental structures, and with a rising output of job seekers from its expanding demography and education system, a high and inclusive economic growth rate is critical.
- A strong and stable economy is a prerequisite to a vibrant and sustainable democracy.

Self-Reliance : DPT has set the year 2020 as the date by which Bhutan will no longer be dependent on external development assistance. We believe that in the interest of ensuring our political and economic sustainability, we must achieve self-reliance by then. To this end:

- We shall continue to pursue a regionally balanced economic development programme that will aim at a minimum

of 8% GDP growth on average in the 11th Plan.

- The inclusiveness of the growth will be ensured by reducing poverty to 5% from the current 12% achieved in the 10th Plan.
- DPT will promote the next five years as a high growth period for the trade and industrial sectors including agro-industries.
- All of the remaining hydro-power projects will be brought on stream or under implementation.
- We will pursue a two-fold growth in the tourism sector.
- We will ensure a substantial growth in ICT, education, and health services in response to rising external demand for high quality, world class services.
- With the push for increased cereal and vegetable production and gradual conversion to organic farming, we shall begin yielding results toward achieving complete food security and a vegetable surplus for export while substantially raising farm income.

Having already achieved the goal of meeting our recurrent expenditure through internal revenue sources, we shall aim to meet up to 25 % of our capital costs domestically. This will not be easy especially as the extensive road network and other services expanded during the 10th Plan will almost double the recurrent costs in the 11th Plan. Likewise, the impacts of climate change and the

distressing global economic outlook are unknown factors. DPT shall work to create conditions that will enable the 12th plan to begin with far smaller development assistance from outside the region. By the latter half of the 11th Plan, the problem of rupee shortage will be overcome with a mix of strategies that will include fiscal measures, import substitution, increase in exports, and coming on stream of new hydro-power projects, in addition to the results of the measures cited above.

Private Sector to be the driving force of our economy: After five decades of government-driven economic development, DPT will induce, facilitate and support, in every way possible, the transfer of the role of driving the economy to the private sector that has grown considerably in confidence and capacity. The larger role of ensuring economic growth and prosperity must now belong rightfully to this sector. In this regard, the sector's growth in the last five years was lower than we had hoped, with the government preoccupied with its enormous programme and the challenges of setting up a new system, while the private sector was unable to expand sufficiently on its own. We shall create the necessary enabling environment to promote the socially responsible and environment friendly expansion and growth of the private sector. To this end:

- We will continue to promote an open and collaborative relationship with the private sector through regular and mandatory consultations. The role of the Private Sector Development Committee, which has already been restructured and strengthened to comprise mainly representation from the private sector will be enhanced.

- All policies affecting the private sector will be formulated in consultation with the private sector.
- Regional balance will be a governing policy and every effort will be made to spread business and industrial activities by taking advantage of the improved communication infrastructure. To this end, special incentives will be offered.
- Special emphasis will be placed on promoting and taking advantage of our emerging strength as a green, service-based, ICT-enabled knowledge economy.
- We shall leverage our inherent strengths through the creation of an investor-friendly environment to capitalize on the opportunities provided by globalization. Our appeal as a green, happy and exotic brand will be promoted.
- We shall frame appropriate policies for the development of economic infrastructure, rationalization of incentives, and targeted support for core business and industrial activities. There will be a major effort to boost manufacturing.
- Public-Private Partnership model will be promoted especially for infrastructure development through an innovative policy framework on PPP models.
- Structural reforms will be undertaken where necessary in some of the key economic sectors such as mining and manufacturing, import and export businesses, agriculture, contract and





procurement services, tourism, air and surface transport sectors.

- A level playing field for all Bhutanese to participate in economic activities will be ensured through deregulation. Competition will be promoted, and no business, private or public, will be protected by the State from competition.
- Measures will be put in place to promote value addition that will enable our produce, products and services to move up the global supply chain so as to access and compete successfully in the global market place.
- Fiscal policy and macro-economic frameworks will be restructured and geared toward ensuring sustainable and inclusive economic growth to be monitored against GNH indicators.
- We will review and revise existing policies and adopt new and innovative economic measures to address emerging issues such as:
 - the rupee shortage,
 - growing debt to fund our development,
 - unsustainable consumption patterns,
 - youth unemployment,
 - challenges associated with global integration, and
 - urbanization and rural-urban migration.

1.1. Diversifying and broadening our economic base

Leveraging our unique selling points (USPs):

As a country located in the ecologically fragile Himalayan zone and disadvantaged with being land locked, one might imagine that we are faced with many constraints. In fact, ours is a nation that is extremely well placed geo-economically with vast opportunities:

- We are located between two of the most rapidly prospering nations and the two biggest emerging markets in the world.
- With the advantage of a free trade arrangement with India whose huge market is immediately accessible and welcoming of any Bhutanese export, we enjoy an enviable position.

DPT has set the year 2020 as the date by which Bhutan will no longer be dependent on external development assistance. We believe that in the interest of ensuring our political and economic sustainability, we must achieve self-reliance by then.

- Aside from being privileged with a naturally exotic location, we are the home of GNH where every educated person also speaks the main international language of English.
- Universal tele-connectivity is in place and we are on the way to becoming a truly ICT-enabled, knowledge-based society;
- A unique Mahayana Buddhist culture prevails in Bhutan;
- We are a nation powered by relatively cheap green energy that will get cheaper and become ever more abundant in an energy-starved region;
- Rule of law and democracy triumph within a stable and progressive society;
- Water is plentiful and the clean air of our mild climate make for a good quality of life.

These are national characteristics that make for unique selling points. DPT believes in making full use of these unique advantages.

Promoting a broad-based economy: As much as hydro-power is a reliable and huge source of revenue for Bhutan, and as much as it is a renewable and, therefore, sustainable source unlike the depleting stock of oil and gas, DPT believes Bhutan must diversify its economy especially in a world where climate change is yielding worrying results. Therefore, even as we accelerate the development of our hydro-power potential, we need to look at how best we can take advantage of our USPs. We need to consider how, while saving our resources for future generations

and not exposing our weaknesses, we can create a broad-based economy that is green, sustainable and inclusive. To this end, we shall intensify and reinforce the initiatives that we have already taken to become the purveyor of high quality services to the burgeoning middle class in the region. We see our future as a regional player in the fields of world class:

- education,
- health and wellness,
- hospitality,
- ICT (including R&D, data processing, animation, and high-end BPOs),
- construction (in the hydropower sector),
- agro-produce and products,
- high quality niche products, among others.

Although Bhutan's planned service economy will largely cater to outside demand, the direct benefits to our children and people, in addition to jobs, are considerable, especially with concessions and grants becoming available to Bhutanese nationals in such areas as high quality health and education. These will supplement and complement our policy of free health and education services. FDI, in all of these sectors, will continue to be encouraged so as to create quality employment and retention of capital within the country.

To this end, we will build on the modest successes and initiatives being taken with the establishment of the following:

- first education city,
- the first IT Park,





- Hotel and Tourism Management Training Institute (a world class hotel and catering institute) in Motithang,
- SAARC Development Fund, WB and ADB offices in Thimphu, and the first reinsurance bank to be established soon,
- Bhutan Institute of Medical Sciences,
- the first convention center to be established in Thimphu.
- Royal Thimphu College and several good schools.

1.2. Facilitating the growth of the private sector

The role of the Government will mainly be that of a facilitator and regulator, and business will be left in the realm of the private sector. We realize that Government regulations, well intended as they may be, may often stifle private sector or individual initiative. Formulation and application of regulations will therefore be based on the need to achieve basic targets and standards in areas like public health, education, infrastructure, and environmental protection, and to enable business to function responsibly, efficiently and equitably. Specific measures that will be taken will include the following:

- Registration and licensing procedures will be further simplified and made time bound. Licensing will be replaced with registration for SMEs.–
- We will draft a Licensing Policy and Enterprise Registration Bill for the consideration of Parliament so as to

improve conditions for ease of doing business.

- All sectoral policies and procedures will be made clear, and transparent, and will be well publicized.
- Bottlenecks in the existing relevant Acts will be amended and new enabling laws framed.
- Full protection will be extended to intellectual property rights such as patents, copyrights and trademarks. This will cover the protection of indigenous knowledge, expertise, arts and crafts from foreign ownership or control.
- We shall establish a fund to support and reward new patents as a part of our policy to promote innovation.
- To ensure that monopolies are prevented, a Monopolies and Business Malpractices Bill will be tabled before Parliament.

In the last plan period, the Druk Phuensum Tshogpa government tabled the Consumer Protection Act and we will continue to place priority on protecting Bhutanese consumers by effective and vigilant enforcement of this act.

1.3. Accessing investment and global markets

With the objective of overcoming the constraints facing the private sector in terms of resources, technology, professional skills, and high transaction and coordination costs in integrating into the global economy, efforts will continue to

be made to attract FDI. **A FDI Act will be enacted** to provide policy stability and investor confidence, and the definition of FDI will be broadened to facilitate regional investments. In so doing, national interests and social responsibilities will be borne in mind. Mechanisms will be established for the settlement of FDI related disputes. And as a further measure to improve market access for Bhutanese goods, we are committed to renew/negotiate and conclude additional bilateral, regional and multilateral agreements. Some of the specific steps will include, inter alia:

- the renewal of the existing bilateral trade agreements with Bangladesh and India, and possibly concluding new agreements with Nepal and Thailand,
- in order to benefit from the global market without deviating from the principles of GNH, Bhutan will continue to participate actively as an observer at the WTO and pursue with the accession process and
- active participation in SAARC and BIMSTEC processes to ensure optimal gains from our membership.

1.4 Infrastructure for industrial growth

Inadequacy of industrial infrastructure and the prohibitively high development costs continue to impede the growth of the manufacturing sector in our rugged and mountainous terrain. In order to attract potential investors and promote regionally balanced industrial growth, development of industrial estates across the country, where feasible, will continue to receive government

support along with various fiscal incentives to ensure their viability. To this end,

- The industrial site development at Mortanga (S/Jongkhar), Dhamdum (Samtse), and Jigmeling (Sarpang) will be completed.
- The development of Bongdingma industrial estate (Mongar) will be initiated.
- These estates will be developed and managed by autonomous agencies that will provide basic services and maintain the infrastructure including environmental management facilities.
- Private sector and foreign direct investment participation in the development and management of the industrial estates will be promoted.
- While major industrial estates will be set up along the southern borders, appropriate infrastructure for cottage and small industries, including service facilities, will be developed in most of the Dzongkhags.

1.5. Making the extractive industry responsible and profitable for society

DPT believes that all natural resources are the common heritage of the Bhutanese family. They belong not only to all living Bhutanese but to posterity – all generations yet to be born. Besides, ours is a fragile ecology that is highly vulnerable to the impacts of extractive industries. For these reasons, it is the policy of DPT to be extremely restrictive on the exploitation of natural resources.





- We will raise the standards and make more stringent the rules for the mining sector.
- Administrative measures and regulations will be put in place to ensure that local communities will receive a minimum level of benefits from mining operations that invariably affect the quality of their lives, livestock and crops.
- A comprehensive geological mapping will be carried out.
- The current environment impact assessment procedures, mining plans and mine restoration plans will all be reviewed and further strengthened or improved while ensuring that social and environmental concerns are fully addressed.
- Mining development and operation plans and processes in all areas declared as critical watershed zones will be subject to extra scrutiny and regulations.
- Value addition will be adopted and export of raw materials gradually stopped to develop domestic industrial capacity. This is aimed at providing higher skill levels of employment, increasing the value of exports, and strengthening the economic resilience of the country by moving up the value chain.
- Export of unprocessed minerals will be prohibited except for mineral wastes/rejects and certain listed items.

1.6. Making Manufacturing a bigger and better proposition

As with most young and developing economies, manufacturing is among the weakest of our sectors. Given our ecological vulnerabilities and logistical disadvantages, the sector is not the most lucrative and will always be challenged. Its scope, therefore, lies in the high value, low volume products that are based on leveraging the USPs of Bhutan, including energy, water and the more extensively available natural resources. Nevertheless, the potential of manufacturing must be developed and utilized. DPT will guide, promote and collaborate with the private sector to develop this sector along the following principles:

- **Import substitution:** Even though import substitution industries face inherent limitations on account of our small population and domestic market, there are possibilities for certain products to be manufactured in Bhutan which can take advantage of the free trade arrangement with India and contribute to balancing our payments with India. However, such products (eg. construction materials, electronics, recycled paper, livestock products, etc.) will not enjoy unlimited protection from outside competition, in order to ensure that the Bhutanese consumer is not restricted to poor quality or costlier domestic products.
- **Value addition to current exports including minerals:** Any manufacturing that adds value to traditional as well as new products that are exported will receive government support. In this

regard, energy intensive manufacturing that meets certain value addition criteria or minimum requirements will qualify for government support. Once some of the new power projects come on line, firm power availability will be considered for new industries to ensure uninterrupted power supply even during the winter months.

- **Niche products and market development:** The private sector will be supported in identifying products that will have comparative advantage in being manufactured in Bhutan to cater to emerging and niche markets in the country and outside. This will pertain particularly to developing, producing and marketing new products/brands by utilizing our domestic resources, both human and material (eg, herbal products, cosmetics, precision instruments, etc). To this end, DPT administration will match private funding of research, design and consultancy.
- **Employment generation:** Manufacturing plans that include building ancillary and support industries in rural areas will receive government incentives in the form of concessions and training support to develop requisite skills among rural youth. Likewise, based on criteria to be established, good quality and secure employment-generating schemes in industrial and urban areas will also receive government support, tied to procurement conditions and access to financing.
- **Brand Bhutan promotion:** Tax incentives will be made available to industries that promote Brand Bhutan products that feature social responsibility (including participatory governance, gender equity, and safety); high quality; and environmental responsibility (including bio-degradability, reusability or recyclability; use of waste products, etc.) The principle of rethink, refuse, reduce, recycle, and reuse (5Rs) will be strongly promoted and incentivized.
- **Recognition and reward:** Innovation and creativity will be rewarded. A policy will be framed to give preferential treatment and favour to those who develop or introduce new ideas and technologies to the country that vastly optimize resource yield, value or productivity while minimizing waste and pollution etc.
- **Investment in research and development:** Bhutan will establish a fund to attract talent, research and development of technology and products in niche areas which take advantage of Bhutan's USPs and the production of which could lead to environmentally and socially responsible industries. These could be in such fields as pharmaceuticals, bio-engineering, renewable energy, ICT etc. Foreign direct investment in such areas will also be encouraged and facilitated. A separate fund will also be created to encourage innovation, research and creativity in schools and university institutions.





As most of the manufacturing industries are located along the southern border, serious consideration will be given to matters concerning security and cross-border sensitivities.

1.7. *Managing wealth with prudence*

DPT will continue to promote a high level of economic growth through prudent and responsible fiscal and monetary policies while keeping the economy balanced and stable. We shall undertake the following:

- Policy measures and instruments will be put in place to share the benefits of economic growth among all sections of society and to bridge income disparities through progressive income taxes. While providing incentives and rewards for enterprise and wealth creation, low or no taxes will be imposed on essential commodities, and the current nominal rural tax rates will be maintained.
- To curb the mounting pressures on foreign exchange reserves and to calibrate consumption behaviours to a more economically and ecologically sustainable scale, we will introduce fiscal measures to regulate consumption of non-essential luxury items and to divert disposable income towards savings and investments through fiscal incentives.
- To track consumption patterns and imports, the customs monitoring system will be radically overhauled and strengthened and tax rates adjusted based on consumption trends and their impacts.
- Targeted fiscal incentives for priority sectors and specific regions will be provided for hydropower, tourism, agriculture, ICT, education and health, public and commercial transport services, other core industries, and rural-based industries to stimulate regionally balanced economic development.
- The corporate income tax system will also be reviewed to encourage investment and corporatization, and the existing customs and sales tax rates will be harmonized.
- The customs check points at the three main ports of entry of goods in Bhutan (Phuentsholing, Gelephu and Samdrup Jongkhar) will be redesigned to meet the structural needs for streamlining and strengthening customs procedures.
- The customs data system will be integrated on a secure national database and will be accessible to the RMA, RBP and immigration as may be arranged through mutual agreements among the concerned so as to minimize loopholes and prevent possible corrupt practices while enabling timely interventions.
- Public borrowing will continue to be made only for socio-economically productive investment purposes so that, as enshrined in the Constitution, future generations do not suffer for our indiscretions.
- Budget deficits will continue to be maintained within sustainable limits and we shall ensure that public debt is within acceptable thresholds. A formalized

strategy for public debt management covering national debt strategy, governance and institutional issues will be strictly adhered to.

- An economic and financial advisory body from both the government and private sectors will be appointed to provide timely advice to the Prime Minister on emerging and major issues. This body will be supported by two to three full-time economic/financial advisors in the PMO which will also monitor constantly the economic trends and issues in collaboration with the macro-economic framework coordination committee.

1.8. Liberalizing the financial sector

DPT will keep up the progressive liberalization of the financial sector to encourage competition in financial services, product diversification and access to other sources of finance.

- The foreign exchange regime will be periodically reviewed and, where possible, liberalized to ensure that opportunities and entrepreneurship are not restricted or stifled.
- The market-based approach to fund the domestic resource gap will be intensified to facilitate the development of financial markets.
- Steps will be taken to minimize impediments to the development of a capital market for equity and corporate bonds and to provide instruments suitable for private investments.

- Greater clarity and transparency in policy and decision-making will be provided to potential issuers and investors.
- Credit schemes for industrial development will be initiated and export-oriented industries will continue to be promoted with export credit programmes and also by providing business and export promotional services and facilities.
- External financing will be sought to avoid crowding out the private sector from domestic financial resources.
- Foreign currency will continue to be provided to export-oriented industries for the import of appropriate technology.
- Tax incentives will be provided to industries for reinvestments in the green growth sector.
- In order to improve domestic liquidity in the banking system, savings will be encouraged through an increase in the exemption limit for levy of income tax on interest income and an increase in the allowable expenses limit for life insurance products.
- Tax incentives will also be provided to salaried employees in the public and formal private sectors for long-term investments in savings schemes and investments in long-term annuity schemes of financial institutions to supplement retirement benefits.





1.9. Bridging the income gap through tax measures and incentives for entrepreneurship

i. Personal Income Tax

- The floor level for exemption of tax on income shall be raised from Nu 100,000 to Nu 175,000 - 200,000 to increase the disposable income level of salaried people in the country. This is aimed at benefitting particularly the middle class. This could mean that we may have to compensate for lost revenue to the exchequer by increasing the tax rate among the higher-income groups.
- We shall institute saving schemes to attract disposable income.
- A PIT revision will be proposed and the tax bracket system reviewed and rationalized.
- Limits for deductions of education expenditures in the country will be raised from Nu.50,000 to Nu.115,000 per dependent while the same amount shall be made available for professional education outside the country in critical areas where we currently have not facilities in the country.
- We shall attract high quality knowledge and talent in areas where we currently have critical shortages.

i. Business Income Tax in rural areas

Considering that small businesses and entrepreneurship provide real and sustainable

The floor level for exemption of tax on income shall be raised from Nu 100,000 to Nu 175,000 - 200,000 to increase the disposable income level of the salaried people in the country. This is aimed at benefitting particularly the middle class. This could mean that we may have to compensate for lost revenue to the exchequer by increasing the tax rate in the higher slabs.



solutions to unemployment while boosting the economy, we shall provide for tax exemption on incomes of small businesses registered in rural areas. Although this might reduce revenue to the exchequer, it will allow the formation of capital among the middle and low income categories of the population. Further, this could serve as an incentive for people to move to rural areas as is happening in some countries. However, mechanisms to address the misuse of this provision will first need to be put into place, so that undue advantage is not taken of such a policy. Likewise, a more just and accurate system for assessing tax for rural traders will be established.

1.10. *Ensuring fair compensation for land and access to common heritage*

A clear and consistent approach will be adopted for land acquisition which will include various options such as outright purchase at market rates or providing substitute land, based again on market values or the option of holding stakes in projects for which land is acquired. The option exercised will depend upon the purpose of acquisition and the choice of the land owner.

- The new Land Bill will be tabled before Parliament for enactment, and regulations pertaining to land ownership, use and classification patterns will be revised.
- The issue of land use and the degree of protection warranted for any particular use, in view of the social and economic opportunities that may be lost, will be studied.

- Landowners, whose lands have been designated as no-construction zones, will be compensated adequately.
- We shall undertake spatial planning to include village expansion plans in order to provide better utility services and connections while reducing pressure on the limited agricultural land that might otherwise cause rural-urban migration.
- We shall review and implement the policies on institutional and structural changes to bring about a transparent system of allocating natural resources and their use and management, to ensure fair and equitable access to natural resources for all Bhutanese.
- In order to keep construction costs low, quality high, and ecological impact minimal, we shall consolidate and strengthen mechanisms in place to increase the supply of timber, sand and stones. In this regard, we remain grateful for the Royal intervention to keep prices affordable and ensure equitable allocation while enhancing revenue from sand and stone.

1.11. *Logistical support for trade and industry*

The establishment of a dry port in Phuentsholing which we failed to build during the 10th Plan to facilitate the flow of international trade, will be undertaken and operationalized on a priority basis. The plan has been altered to build the dry port at





Toribari while a mini-dry port will instead be built in Phuentsholing. Additionally, the possibility of establishing dry ports at Gelephu and other commercial cities along the southern border will also be studied and pursued where feasible. These will provide the same facilities as a seaport and will be equipped with facilities for cargo storage, clearing, forwarding, trans-shipment, and transit, including containers to or from India as well as other countries. In addition:

- The feasibility of a cable system for transportation of goods from the Toribari/ P'ling dry ports to Chhuzom/Thimphu will be studied and, if feasible, its construction will be initiated on a priority basis.
- A study will be undertaken to assess the feasibility of a railway system between P'ling and Thimphu and adjoining towns. The system is intended to transport both passengers and goods.

In addition to reducing the costs of moving goods and people, these systems are being proposed to bring about a substantial reduction in fossil fuel consumption, promote balanced trade with India, and offer the additional benefits of reducing traffic congestion and accidents along the national highway.

We will expedite work on the improvement and completion of the southern East-West National Highway from Sibsoo in the west to Jomotsangkha in the east to overcome the problem of intra-national connectivity and the serious security risks and inconveniences in the movement of people and goods through India.



2



Improving Rural Life
towards Prosperity







DPT's poverty-focused 10th Plan has been remarkable and possible for three reasons:

- the urgency of the need that gave the government the boldness to embark on such an ambitious programme,
- the commitment and dedication of our public servants including local government leaders, and most importantly,
- the generous resources we received from our development partners.

We were able to lower the proportion of people living below the poverty line of Nu. 1,700 per month to 12% in 2012 from the 23% with a monthly income of less than Nu.1,096 in 2007. This is 3 percentage points better than the target of 15% set for the Plan period. What was even more gladdening was the success rate of poverty reduction down to 16.7% among the rural population where poverty prevalence was much higher than the national average at 30.9% in 2007.

Nevertheless, such a large segment of our population living below what is considered a basic survival threshold is unacceptable. Poverty reduction is, therefore, still the major concern of DPT. We remain convinced that the misery of poverty can be eradicated altogether in Bhutan so that the pursuit of GNH becomes a realistic choice for every citizen. With this in mind, it will be our goal to reduce the incidence of income based poverty to 5% by the end of the 11th plan while multidimensional poverty assessment will be done to ensure that our people are able to enjoy greater wellbeing beyond enhanced income alone.

2.1 Targeted interventions

Targeted interventions will comprise the following:

- Measures initiated during the last five years will be continued to make farm and rural life more productive, profitable, comfortable and attractive.
- We will consolidate and improve the quality of all the services created or established under the Common Minimum Programme. These will continue to be monitored in the 11th Plan as an important measure of rural wellbeing and level of equity in delivery of and access to vital public services (roads, electricity, water, health services, education, and telecommunications).
- Rural credit access and delivery will be made more efficient and friendly. All financial institutions will be required to apportion a minimum quantum of loans for agriculture or rural economic activities. Alternatively, we shall explore the feasibility of an agriculture bank.
- Cooperatives and farmer groups as are being formed around various farm activities and products will become a major mechanism for raising farmer prosperity and community vitality.
- Collection, sorting, packaging, and storage facilities and marketing access for farm produce will be established in strategic locations, and improved where a few already exist. In this regard, we intend

to build cold storage facilities in several key locations in collaboration, if possible, with the private sector.

- Access to credit or purchase of shares in various profit-making ventures including those being divested by public sector undertakings will be promoted and facilitated through cooperatives.
- Financial literacy will be promoted among farmers along with savings schemes and sound investment avenues.
- Participation of farmers in providing rural housing for government employees will be pursued with clear guidelines to be drawn up in consultation and collaboration with financial institutions, the Land Commission, and the local governments.
- Investors in rural business and industry that fulfill set criteria will receive tax exemptions and incentives.
- Home/farm stays and experiences for tourists will be promoted across all regions in the rural areas to supplement farm incomes substantially.
- Small economic centres around gewog centres will be set up in population areas with basic minimum services and conveniences.
- Transport subsidies for CGI sheets will continue to be provided for remote farming communities to reduce demands upon the forests and to reduce costs for replacing shingles with longer lasting

CGI sheets. These will be made available to people in remote areas where lack of transportation and motorable roads make the acquisition of CGI sheets prohibitively expensive for poor farmers. Needy communities will be identified in consultation with local governments on the basis of criteria to be established by a committee appointed by the local governments.

- Periodic baseline socio-economic assessment surveys and resultant proactive action plans that will focus on promoting regional balance and poverty eradication will be undertaken.

2.2 Taking industrial jobs and opportunities to the village

A major strategy of DPT to bring wealth creation and job opportunities to the rural sector will be by promoting cottage and small enterprises in the villages while allowing these to also grow in the urban areas. DPT will also encourage and incentivize large manufacturers to create ancillary production units in the rural areas so that farmers or rural populations can be engaged in producing certain parts or elements of goods. This has become ever more feasible because of the road connectivity, electricity and ICT services that now link the entire country.

The skills required for many such enterprises already exist among our traditional craftsmen or can be easily imparted among the increasingly literate villagers. Therefore, the capacity of such enterprises to create additional job and income earning opportunities for the rural population without having to leave home and hearth is



considerable. At the same time, these initiatives will support balanced and equitable regional economic development with the added benefit of slowing rural-urban migration.

Through the new department created during the 10th plan in the Ministry of Economic Affairs, we shall ,

- identify activities and schemes to promote cottage and small scale industries in the rural areas on the basis of potential that will differ from place to place,
- collaborate with large private manufacturers to establish supplementary/support units in the villages,
- develop innovative incentive and support packages to achieve set targets,
- continue to explore and facilitate the development of the full potential of our cultural industry into a vibrant sub-sector, to include film making, animation, performing arts (music and dance), publishing, community based spiritual tourism, wellness tourism based on traditional medicine, and a large role for rural and traditional craftsmen,
- support cottage, small enterprises, and others for the development of business systems, establishment of linkages with large industries as ancillary activities, provision of credit guarantees, and access to micro-credit facilities and space in the industrial areas.
- support community owned companies, including craft houses and other businesses.



3



Green Power to Boost Sustainable Economy







Until the end of the 9th FYP, Bhutan as an energy exporting country was unable to provide the benefit of electricity to more than 35% of our own population. Having overcome that problem with almost every home now electrified and on the way to seeing more energy intensive industry developing in the country, we are now faced with the desperate need to generate more rupee-earning energy. To this end we shall develop a comprehensive green power policy that will close our trade gap with our main trading partner and raise our revenue base to meet the rising cost of maintaining and improving the vastly expanded public services and infrastructure, commensurate with the level of development we have now achieved.

We are, therefore, fully committed to fulfilling our goal of adding 10,000 MWs by 2020 to the existing 1,488 MWs that are so far generated from our rivers.

- The 4 projects that have already been started during the 10th plan under bilateral arrangement with India will be completed on time.
- Every effort will be made to enable the remaining 7 projects to begin in the 11th Plan for their timely completion.
- Supplementary initiatives will be taken through public-private partnerships and private sector participation to develop and construct smaller hydropower plants in order to achieve a targeted quantity of additional power.
- We will continue to be mindful of the need to ensure that the mega-projects are, to the extent feasible, evenly distributed

among the Dzongkhags to promote balanced regional development.

The nation has gained experience and expertise with the construction of Chhukha and Tala Hydropower Projects and with the ongoing construction of Punatsangchhu I, Punatsangchhu II, Mangdechhu and Dagachu Hydropower Projects. We have now acquired an appreciable level of domestic capability to construct large-scale hydropower projects on our own. Druk Phuensum Tshogpa believes that a test of true self-reliance will be for Bhutanese entities to build and manage large-scale industrial hydropower projects on our own. The DHI will be directed to demonstrate such a capacity within the next five years. In so doing, it will be required to build the necessary organizational and financial structures in collaboration with the Bhutanese construction industry which has been eager to grasp the opportunity.

3.1 Maximising hydropower revenue

Within the bounds of acceptable norms and understandings reached with the Government of India on the tariff structures for the energy generated jointly and exported to India, DPT will explore all avenues to enhance earnings. One opportunity arises with the energy market being liberalized in the Indian sub-continent. We shall endeavour to gain maximum benefit from this open market trading. At the same time, we shall also explore the feasibility of establishing a power trading company outside the country.

There is also the opportunity, cumbersome as it is, to earn carbon credits that can be traded under the Clean Development Mechanism (CDM) of the Kyoto Protocol.

- Bhutan already earns 500 tons of CO₂ sequestration credit per year from the 70 kW Chendebji Micro Hydro Project which was commissioned as the first CDM project in 2005.
- The carbon credits earned have been valued at between US\$5,931 and US\$17,793 annually, depending on current carbon prices.
- The 114 MW Dagachu Hydropower Project, which is expected to be completed in 2013, has also been registered as the first cross-border CDM project, and is expected to result in 500,000 tons of CO₂ credit.
- Efforts are under way for the on-going big hydropower projects to be registered as CDM projects, thereby enabling Bhutan to earn additional revenue while pursuing its commitment to remain carbon neutral for all time.

3.2 Renewable energy for long term energy security and reduction of fossil fuel

Druk Phuensum Tshogpa believes that the development of alternative sources of renewable and clean energy is a priority need that must be attended to in order to attain long term energy security despite the fact that the greater part of our hydro potential remains to be realized. This is in light of the rapidly changing hydrology arising from effects of climate change brought on by global warming. Such alternative sources as solar and wind energy, biogas, green charcoal, and mini and micro hydels need to be developed on the basis of their individual merit. It was with this concern in mind that the DPT government created the Department of Renewable Energy in December 2011 to serve as the central coordination agency and focal point on all matters related to alternative renewable energy.

During the next five years, we will actively engage the Department in promoting various forms of renewable energy and the relevant technologies, and their generation, use, and sale in the country on the basis of the recently framed Bhutan Renewable Energy Policy and the experiments and pilot work that have already been undertaken

Druk Phuensum Tshogpa believes that a test of true self-reliance will be for Bhutanese entities to build and manage large-scale industrial hydropower projects on our own.



successfully. By the end of the 11th plan period, we shall ensure that a credible and substantial amount of alternative energy use is promoted in the country. To begin with:

- We shall commission solar power plants to generate 1,000 KW,
- We shall build wind power plants to generate 360 KW,
- At least 1 small hydropower plant will be commissioned.
- Other alternative sources of energy such as biogas, solar water heaters, etc. will be promoted. We shall promote the participation of a targeted number of rural households that can make substantial gains from biogas generation and use.
- A targeted number of institutions and proportion of buildings in the cities will be encouraged and incentivized with fiscal and technical support to convert partially to using solar energy.
- We shall provide incentives to entrepreneurs who take up the challenge of developing appropriate technologies for alternative energy for both domestic use and export purposes.
- We shall promote and incentivize energy saving schemes, devices, and discipline.

In this regard, we shall take advantage of some of the heartening success stories in the trail blazing countries in these areas.



4



High Value Low Impact Tourism







The tourism sector is the most broad-based, sustainable, employment generating, and ecologically sensitive, hard currency earning industry for Bhutan. It is good for the rural as well as for the urban sector and particularly favours youth employment. It is, in fact, the most powerful means for the preservation and promotion of cultural heritage and industry. It provides the market and audience for the visual and performing arts and the crafts industry, and causes people to take pride in and value their customs, traditions and identity.

- i. **Faithful adherence to the policy of *high value low impact* tourism:** But tourism has its negative costs as well, and it is with this concern in mind that the policy of *high value - low impact* tourism (which was changed from *low volume - high quality* by the DPT government) will be adhered to in the strictest sense. We will continue to ensure that while we generate higher volumes of revenue, there will be minimal negative impact on our culture, ecology and way of life.
- ii. **Progressive upgrading of quality of hotels:** To this end, regulations and incentives in place shall be reviewed and improved for the progressive enhancement of all facilities and services to eventually reach the highest standards. The star rating system to constantly upgrade and assess the quality of hotels will be stringently pursued with the expectation that Bhutan's goal to become a high-end destination will not be compromised by the reality of poor quality services. All such measures and

regulations will continue to be taken or developed through the **consultative process** that has been established with the various stake-holders that include tour operators, hoteliers, guides and handicrafts promoters.

- iii. **International standard trainings for the hospitality sector:** The quality and variety of trainings provided by the Hotel and Tourism Management Training Institute will be improved constantly to ensure international standard training and to make the institute a prestigious regional centre for tourism. In addition, the regular and ad hoc training programmes for all categories of skills and services required for the industry that are conducted by the Tourism Council at various locations will continue to be offered to those in the industry as well as those wishing to enter it.
- iv. **Promotion of Bhutan as a MICE destination:** We will realize our goal to promote Bhutan as an attractive destination for MICE (meetings, incentives, conferences and exhibitions). In this regard, we are encouraged by the growing number of small scale international conferences being held in the country under the auspices of the Royal Government. The number of corporate and company meetings and retreats that have been held in the country over the recent years has been equally reassuring and establishes clearly that all we need are the physical facilities. We shall therefore expedite the construction

of the 1,000-seat international convention centre in Thimphu, the plan for which has already been initiated under the DPT administration. A state of the art theatre for the performing arts with the same capacity is also being planned and, subject to funding availability, will be built in Chhubachu area to support the vibrant sector and to supplement the MICE programme. As demand grows, similar facilities will be planned and developed in other parts of the country.

v. Diversification of tourism products and

access: Much has been done and will continue to be done in the Hospitality and Tourism sector especially in the areas of ecotourism and agro-tourism and to spread their benefits among all Dzongkhags. These include the following:

- Trekking routes will be continuously improved or created and campsites developed in well designated locations.
- Regulations, procedures and facilities will be improved in respect of access to cultural and natural wealth, such as Dzongs, religious ceremonies, wilderness, *neys*, rivers etc.
- Promotion and expansion of home-stay facilities in villages will be stepped up with the pilot schemes having succeeded,
- The Nomads' Festival at the Wangchuck Centennial Park, the Takin Festival of the Jigme Dorji National

Park, and the Mushroom Festival hosted by the Thrumshingla National Park will be made more interesting and attractive on the basis of experiences gained in the past years.

- The concept of area specific product development will be scaled up to promote tourism in eastern Bhutan and engagement with local craftsmen and villagers in basket weaving, textile weaving, preparation of *chhang*, *putta* or bowl making, paddy transplantation etc. will be promoted to give tourists a hands-on experience with Bhutanese culture.

vi. Making Bhutan more tourist friendly: A programme will be launched to determine and establish a minimum set of general services and conveniences for tourists.

- We shall complete on a priority basis, the construction and leasing of rest areas with basic food and beverage facilities, toilets, and tourist maps and publications along the highways.
- Immigration, customs, airline and shopping procedures and arrangements will be simplified and made more convenient and welcoming.
- The guides association and the tour operators will be mandated to arrange for minimum numbers of guides who speak the main tourist languages.





- More stringent qualifications and examinations will be prescribed for guides and strict codes of behaviour imposed through the Association of Guides with the objective of professionalizing the service.

vii. Special security support to tourists:

Bhutan will assume the responsibility of being dependent on tourism and ensuring that it remains a sustainable source of revenue. To this end, while we will continually improve the quality of all services and amenities, we will ensure that the highly security sensitive industry receives special support from our security establishment. We shall, accordingly, build a separate and especially trained police unit that will attend to tourist security and related problems including the possible emergence of tourist targeted crime rings.

viii. Tourist arrival target: Druk Phuensum Tshogpa will work toward doubling annual tourist arrivals to 200,000 per annum within five years and concurrently doubling the tourist revenue contribution from the current US\$199 million to more than US\$400 million per annum. In turn, this will increase the number of jobs created by the sector to 45,000 from the current 28,000. This should impact the hotel industry with a 100% increase in bed nights from the current 700,000 bed nights per annum to over 1.5 million bed nights. To achieve this target, we shall step up our programme to access new

tourist markets apart from expanding the traditional Western and Japanese markets.

Druk Phuensum Tshogpa shall work toward doubling annual tourist arrivals to 200,000 per annum within five years and concurrently doubling tourist revenue contribution from the current US \$ 199 million to more than US \$ 400 million per annum.



5



Overcoming Logistical Constraints of Geography







DPT renews its commitment to exploring and providing safer, reliable, affordable, and more diverse modes of transport systems. **Appropriate legislation and policies** on public transport services will be initiated while making available necessary resources. We shall enforce the recently passed Road Act and strengthen the Department of Roads and the Local Governments to assume full responsibility for the efficient and effective maintenance of roads and to keep them safe and open at all times.

- i. We shall expedite work on the improvement and completion of the **southern East-West National Highway** from Sibsoo in the west to Jomotsangkha in the east to overcome the problem of intra-national connectivity and the serious security risks and inconveniences in the movement of people and goods through India. This highway will contribute substantially to the development of industry in the southern region.
- ii. In order to meet the demands of increasing traffic and tonnage stemming from economic growth and activities in the country:
 - a. We shall continue with the programme for improvement in the geometrics of all the existing highways.
 - b. We shall shorten roads where feasible, improve safety and lower vulnerability to landslides by tunnelling through selected sections of mountains on a progressive basis to the extent we can muster resources.

- c. We shall accelerate the completion of the **North-South highways** viz. Gyalpoizhing to Nganglam, Damchhu to Chhukha bypass road, Gomphu to Panbang, Gesarling to Lhamoizingkha, Dorokha to Haa, and the Gomphu-Tingtibi-Gelephu road.

Together, these with several other internal roads will **complete the comprehensive network of highways** to make Bhutan a country not only with a high density of roads but an economy that is served by one of the most efficient systems of roads to overcome the constraints of our forbidding geography. The economic viability of government programmes and public services as well as most investments should be enhanced considerably as a result to raise further the value of our USPs.

- iii. **Making road travel safer and enjoyable:** Roadside amenities such as waiting sheds, rest areas with toilets, food and beverage facilities, picnic and leisure spots, and improved service stations will be built at selected locations for the benefit of both domestic and international travellers.
- iv. **Keeping farms and rural areas connected at all times:** During the 10th FYP, we have given the highest priority to constructing farm roads to connect villages to Gewog centres and highways. Improved access to road connectivity has led to far more efficient and effective

delivery of services including health and education and agricultural inputs. The roads have increased several-fold the returns from farm produce and viability of economic activities in rural areas, and lowered the cost of essential items. The reduction of poverty in all its dimensions and the resultant improvement in living standards are tangible and visible, and have raised the value of rural property while making a return to rural life a thinkable proposition. Deeply encouraged by these findings, we will ensure that all remaining communities are brought within one hour's walking distance of the nearest road head. Where this is not feasible for ecological, security or economic reasons, adequate social and economic compensation will be provided.

DPT is fully mindful of the pervasive concern over the capacity of the government to maintain the extensive network of rural roads built under the Common Minimum Programme during its last administration. Keeping these roads open throughout the year is going to be a daunting challenge. But these roads were built to serve the people, and DPT will ensure that organizational arrangements enabled by adequate resources, including equipment, are put in place to ensure that these vital life lines for our rural folk remain serviceable round the year. In fact, we intend to make them safer and better over the years. With this in mind, the DPT government has already put various arrangements in place. Funding

has been incorporated in the 11th Plan to immediately provide black topping or GSB for most gewog centre roads even if this comes at the cost of other programmes. To the extent possible, the farm roads too will be improved in a phased manner with the gradual addition of permanent surfacing including GSB surfaces.

We will expedite work on the improvement and completion of the southern East-West National Highway from Sibsoo in the west to Jomotsangkha in the east to overcome the problem of intra-national connectivity and the serious security risks and inconveniences in the movement of people and goods through India.





- v. Additionally, criteria for what constitute farm, feeder or Dzongkhag roads and **obligations of users** thereof will be reviewed to ensure that the beneficiaries are not excessively burdened with the responsibility of maintenance and improvement.
- vi. Establishing a **railway link** with India will be given priority to ease the cost and improve the reliability of transportation of goods.
- vii. A feasibility study of the potential for an **electric rail** link between Phuentsholing and Thimphu will be undertaken in the first year of the term. Resource permitting, track laying will begin if feasible.
- viii. A **cable system** for goods transportation will be surveyed to be built between P'ling/Toribari and Chhuzom/Thimphu/Paro. As this would prove quite lucrative, it will be taken up under the PPP model.
- ix. **Extending domestic and international air connectivity**

The importance of aviation in a land-locked, mountainous country can never be underestimated. Having reached the current stage of economic development, our future plans and development programmes must not be constrained by what exists presently and by what only appears feasible and affordable from the conventional perspective. Infrastructural facilities must precede demand, as the viability of many opportunities cannot even be considered unless the logistical infrastructure is already in place. In

our particular case, the east and parts of the south have remained largely deprived of the benefits of tourism for this reason.

In light of the foregoing, the facilities and amenities at the three runways built during the term of the DPT government will be improved for passenger safety, convenience and security. As air connectivity is key to the success of our vision to double tourist arrivals to 200,000 and generate some **40,000 jobs**, we shall facilitate the opening of new routes to several key destinations. This is already under discussion among the TCB, the Foreign Ministry, and Druk Air. The new routes will include among others, Hong Kong, Mumbai, Bangalore, and perhaps the Maldives, while reopening our operations to Myanmar.



6



A Healthier Bhutan for a
Happier Society







Druk Phuensum Tshogpa recognizes health as a prerequisite for economic, social and spiritual development. Without good health, pursuing happiness is very difficult. While remarkable achievements in health care are visible across the country, there are still pressing challenges as the health system evolves with the evolution of the nation and its changing epidemiology. We shall continue to provide free access to basic public health care in both modern and traditional medicine. We shall strive to eliminate inequalities and work hard to ensure faster and better health services for all. Emphasis will continue to be placed on prevention and early treatment, promoting healthier lifestyles, and remodelling the health system to that of a caring and compassionate service provider.

The existing free health system must be protected while, at the same time, incremental reforms will need to be carried out to advance the system further in meeting emerging challenges. We will initiate the drafting and development of a comprehensive Health Act as an umbrella policy and legal framework for the health system in Bhutan.

Druk Phuensum Tshogpa is committed to ensuring the availability of more doctors, better service conditions, and improved quality of health care. This includes:

i. Greater coverage and more services:
Improving the coverage, quality and efficacy of our health system are goals of DPT for the health system. We pledge to undertake the following:

- a. While we have been successful in meeting our first goal (improved coverage) during the last 5 years, the latter two goals (improved quality and efficiency) will be our constant endeavour.
- b. We are committed to improving the physical conditions of our hospitals, including improved sanitation and hygiene, and the quality of care offered at the health centres.
- c. Medical supplies will be made more reliable and a quality assurance system for pharmaceutical products put in place.
- d. While we shall emphasize improving population health outcomes across all domains and population groups, focused support and services will be provided to the disabled and elderly population.
- e. The good health of mothers and children is an important precursor to a healthy society. By placing the highest priority on maternal, child and reproductive health care, we shall continue to lower infant and maternal mortality so as to meet the Millennium Development Goals by 2015.
- f. We shall promote nutrition programmes and interventions throughout the country and strive to eliminate malnutrition and any form of micronutrient deficiencies among the population in general, while focusing on school children and working in collaboration with the education system.
- g. We shall address the growing menace of Non Communicable Diseases (NCD) through direct and focused interventions

as well as through their integration into the Primary Health Care services. All Bhutanese will be able to avail preventive NCD services through the BHUs and Hospitals across the country.

- h. We shall augment the already high coverage of safe water supply through alternative technologies, such as rain water harvesting, water pumping, etc., in order to sustain universal coverage. Having been successful with the coverage in general, our focus will now be on regular testing and treatment of water to ensure safe drinking water for our population.

In general, we shall strengthen and streamline the referral services both within and outside the country to generate efficiency in services and improve patient outcomes. Further administrative autonomy will be given to hospitals in order to improve and motivate greater professionalism and better patient care and management. To this end, we shall ensure that our health professionals receive remuneration that is commensurate with the nature and demands of medical work and the rigours of preparing for the profession.

- ii. **Solving the problem of the shortage of doctors and nurses:** The University of Medical Sciences (UMSC) of Bhutan will be expanded through introduction of more courses and programmes. As a regional institution of excellence, we shall begin accepting foreign students while giving scholarships to a certain

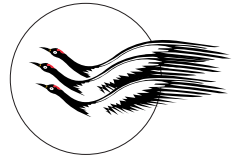
number of foreign students on the basis of merit.

With more than 300 doctors and a large number of nurses currently under training within and outside the country, we will achieve our long sought goal of adequate medical professionals. This will increase substantially the capacity of the system to give patients better quality and more efficacious treatment.

- iii. **Keeping our sights on becoming a hub for high end medical service:** We shall persist with our plan to promote Bhutan as a regional centre for medical tourism to serve the growing demand for high quality medical service in the subcontinent. This will be facilitated by allowing foreign direct investment in the building of one or more 5-star private hospitals in selected locations. The large number of medical professionals that will soon be available will greatly aid this endeavour. This is expected to ease the burden on the national health care system and provide specialized medical services to those who require advanced treatment and referral care. Clear cut standards and guidelines will be established for the functioning of such hospitals. Among these will be access for Bhutanese citizens at free or concessional rates.

- iv. **Promotion of indigenous medicine:** The benefit of the country's indigenous medical knowledge and skills will be furthered through improvement and expansion in the delivery of these services. Production of indigenous pharmaceutical and allied products will be expanded and niche markets for these products explored. In this regard, we shall work with the





park authorities and our alpine communities to establish a system of adequate pricing/ collection fees, and **management and care of medicinal plants** so that indiscriminate picking and the ongoing illegal trade do not lead to destruction and extinction of the rare sources of our indigenous medicine. We will promote setting up of wellness services and herbal spa services by integrating indigenous medical practice into the tourism services. These facilities will, in addition to improving the health outcomes of the population, contribute towards a vibrant economy through employment and income generation.

v. Strengthening public health care system:

We shall pursue universal health coverage to ensure all Bhutanese have access to quality health services with minimal logistical, financial and other hardships as stated hereunder:

- Structural coverage and efficacy of the health care system will be reviewed and measures taken to ensure greater equity of health services.
- We shall strengthen the public health care system at the local levels so that the rural, poor and disadvantaged have easier and convenient access to basic health care. As local health services become more convenient and proficient, people are more likely to use them, leading to better national health status. This will allow more health care services to be delivered locally and also help tackle any health care inequalities in the more deprived communities.

- Where Gewogs are too large and the population is unlikely to be efficiently served by the existing facilities, additional infrastructure in the form of *sub-posts* will be established.
- Where there are large populations without a hospital, BHUs will be established or their service capacity raised by the placement of a general physician and, where possible, specialists as well.
- Every Dzongkhag hospital will have at least three doctors, including at least one specialist, – a pledge that we could not fulfill during the last Plan. Larger Dzongkhag hospitals will have specialist services depending on the demographic and morbidity patterns.
- Existing infrastructure and facilities, including ambulance service, will be augmented, consolidated and improved upon to strengthen telemedicine services – the Health Help Centre.
- We shall explore the feasibility of other ICT enabled services to further enhance timely access to quality health services.



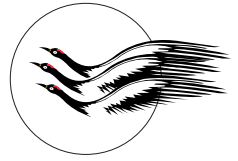
7



Education: Making Firm the
Foundation of Our Future







Bhutan's noble sector is founded on the belief that no nation will fail where education succeeds. The strength and prospects of a nation for a vibrant democracy depend on the quality of its people, which, in turn, depends upon the quality of its education system. A future of sustainable prosperity for Bhutan can only happen through the ability of our people to understand and share the dream of GNH and by their strength of knowledge, attitude and will to realize it. Excellent schools, high quality training institutions, and world-class universities are, therefore, the dreams that DPT will always strive hard to realize. And it is in such places of learning that DPT is committed to ensuring free schooling and training with merit based access to higher education.

Druk Phuensum Tshogpa is mindful of the general concern that the quality of education has not matched the rate of its expansion. There is also the reality that the poorest sections of our society face tremendous difficulties in accessing even the free education that is made available for their children. Consequently, they either avail alternative education such as monastic education in Bhutan and elsewhere, or miss school altogether. These issues will receive our highest attention.

- i. **Raising morale and motivation for teachers:** In the ultimate analysis, an education system can only be as good as its teachers. And how good the teachers are will depend primarily on their morale and motivation, which in turn will condition their devotion and commitment to teach. It is with this conviction that the leadership of the DPT administration will hold an annual

consultative meeting with representatives of teachers from all levels and categories of the education system at which the main issues and ideas that emerged at the annual education conference and other consultative meetings will be discussed and decided upon. It will be at these meetings that the subject of working and remunerative conditions as well as reward and recognition will be thoroughly discussed. Every effort will be made to elevate and give due respect to the teaching profession so that the best and most able become and stay as teachers, so that teachers, beyond teaching, inspire and instill in the children the values and desire to become good citizens.

- The Centenary College of Education at Yonphula will be charged with the responsibility of implementing the UINSET Master Plan designed to provide continuous professional development of teachers.
- A Human Resource Strategy will be used to enable deserving teachers to move up the ladder to become lead teachers and master teachers in specialist positions, and those in management positions will be given the scope to rise to executive positions within the system.
- We will work on improving teacher competence, personal development, and pay and working conditions. In return, we will emphasize higher personal and

professional standards in teachers and institute more effective and school-friendly monitoring and support mechanisms.

ii. **Attaining the full potential of children and youth:**

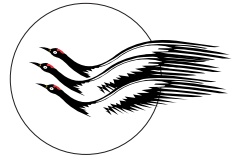
The aim of education is to harmonize intellectual and skill development with faith and character development. We will promote both – being mindful of the inexorable nature of change and the aspirations of our people. The pace of change is accelerating and those without skills will find gainful employment much harder to come by in the future. Knowledge and skills that might once have lasted a lifetime are now only relevant for a few years or even less. Our commitment to transform Bhutan into an IT enabled knowledge society will ensure that education does not end upon exiting through the portals of school or college. Our strategic goal is to build and expand opportunities for continuous learning and re-learning.

- Comprehensive guidelines will be developed encompassing bench-marks, learning objectives, selection of learning materials, pedagogical choices, and assessment for each discipline area supported by the required provisions.
- We will work toward ensuring that each child receives the teaching and support needed to reach his or her full potential.

Reducing class size, improving teacher-pupil ratios, and increasing support for teachers, particularly on alternative strategies to improve discipline in the classroom, will be some of the options.

- ICT including e-learning and self-learning, which was successfully introduced in all middle and higher secondary schools, will be strengthened and intensified to enable all our students to become highly versatile in IT skills.
- A pilot program to **introduce Tablets in schools** with WiFi connectivity will be initiated to also promote the freedom of self-learning, while reducing the cost of providing text books that tend to become obsolete more quickly. Depending on its success, we will endeavour to make Tablets a universal learning tool in all our schools.
- Personal attributes like volunteerism, dignity of labour, leadership, teamwork, extra-curricular activities and proficiency in life-skills will be inculcated and promoted.
- Subjects like social ethics and civic responsibility will be introduced beyond mere formality to ensure responsible, law-abiding, honest and intelligently patriotic citizens.





- The concept of Green Schools will be actively promoted to enhance the integrity of the overall education services.
- We will support a standard national curriculum with extra modules for specific target groups in particular areas.
- We will add further variety to the **curriculum for religious institutions** to give our novice monks a certain minimum standard of education in English, mathematics, and computer skills so that those who leave monastic life will find gainful employment in the society at large.

iii. **Making education truly free for the poorest:** Despite the progress we have made in realizing the vision of our Constitution and the MDGs, educational inequity still persists along socio-economic lines. Inability to arrange mid-day meal packs is one such problem. We are nevertheless heartened to note, across the country, that when students in low-income communities are given the educational opportunities they deserve, they excel. It is this knowledge that fuels our sense of urgency and responsibility to do everything we can to ensure educational opportunity for all.

We will ensure that no child is left out of school because of financial constraints. Civil society organizations will be invited

to work with the school authorities and local governments to ensure that the neediest receive assistance. In this regard, the current success in achieving near universal enrolment is attributable to the highly concerted work of the Central, Dzongkhag and local authorities. In particular, the gups and the school principals have played an admirable role. This shall be continued into the future.

iv. **A targeted malnutrition eradication programme:** This will be developed and implemented in identified schools in the rural parts of the country. Also, considering the exit of the World Food Programme in 2018 and the closure of the school feeding programme, Druk Phuensum Tshogpa will ensure that a **National School Feeding Policy** is developed and made ready for implementation with the departure of WFP to ensure continuity of the School Feeding Programme and to enable the proper physical and mental development of children.

v. **Bringing schools closer to home:** DPT reported in our first manifesto that the right to education for all children as promised by the Constitution will not be equal unless the school is brought within convenient walking distance for every child. One of the most painful sights in the rural and remote areas is the hungry child walking long distances, trudging up steep paths carrying heavy satchels on empty stomachs. Going back home in the rain seems less a painful thought than arriving

at school wet, cold and tired, in the rain – too tired to learn and too exhausted to remember.

Additional efforts will be made to provide educational facilities within convenient walking distances for every rural community to ensure that children stay close to their parents.

- More extended classrooms where needed will be opened, recognizing that those that were opened in the last plan were proven to be highly cost effective.
- Alternative arrangements, where necessary, will be made, including expansion of boarding facilities.
- Subsidized or free bussing will also be increased for students within an improved public transportation system to ensure that it is joyfully easy for children to get to school. The extensive network of farm roads and the diminishing number of children in the villages make this option a necessity.

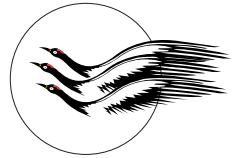
vi. Toward a fully literate society: As pledged to our fellow-citizens, we have made tremendous efforts and achieved great success in providing formal education to all our citizens, especially since the installation of the Druk Phuensum Tshogpa Government. However, many of our fellow-citizens

missed the bus when they were young, owing to socio-economic constraints and lack of opportunity, but we believe that they all deserve a second chance. Equally important, for Bhutan and the Bhutanese to make further progress and to be able to sustain the pace of development, the national literacy level must increase substantially.

The non-formal and continuing education programme that has been highly successful throughout the country will be intensified to achieve a national literacy target in excess of 75% against the present level of 63%. The party will promote expanded programmes for non-formal education to bring the light of learning to all sections of society within the overarching principle of *Every Village a School: Every Home a Classroom*. Opportunities to upgrade knowledge and qualification through the Continuing Education Programme will also be diversified and improved for the benefit of all citizens.

vii. Making Bhutan a centre for educational excellence: The Druk Phuensum Tshogpa will continue with its efforts to promote Bhutan as a regional centre for high quality education. It will facilitate private sector initiatives, including foreign direct investment, to establish world-class educational facilities and to bring in respected educationists, resources and linkages with highly reputed international academic, scientific and research institutions. This will be encouraged at





all levels – i.e. primary, secondary and tertiary – by providing clear guidelines as well as fiscal and other forms of incentives. Guidelines will be limited to general standards and quality, and will include certain minimum social obligations such as provision of scholarships and special concessions for nationals and employment primarily of nationals in non-teaching positions. Pricing structures will be left to the investor and market forces. Although the first such venture, viz. Education City, has just begun as a large scale multi-institutional complex, stand-alone campuses representing world class entities will be welcomed as well.

viii. Sharing responsibility with parents and communities: Community participation through school management boards and parent-teacher meetings will be strengthened and their context broadened. Public discussions on current policy issues concerning education will be held. Similarly, various other mechanisms to facilitate the participation of all stakeholders in the policy and decision making process will be strengthened. During these consultations, one objective will be to achieve not only clear understanding of the shared role between the system and the community (parents) to achieve holistic education of our children but to agree on and discharge mutually agreed quantifiable or quality-related responsibilities that will ensure the positive academic as well as social growth of our children in visible ways.

ix. Aiming Higher: Building Pathways for Tertiary Education: Building on the achievements made hitherto, the Druk Phuensum Tshogpa will develop clear pathways relating to the vision, policy and direction for the growth of tertiary education in the country keeping in view the emerging needs of a fast-developing nation that aspires to be a knowledge society and play its part as a member of the global community.

- Efforts will be made to expand high class tertiary education institutions as centres of excellence in teaching, research and development.
- Opportunities and incentives will be provided both to Bhutanese citizens and foreign participants to set up fine institutions of higher learning befitting the vision and heritage of our country. By so doing and with tax relief for private education in the country, we hope to provide quality education while reducing the number of students studying abroad in mediocre colleges.

8



YOUTH AND EMPLOYMENT

In Pursuit of Full and Productive
Employment

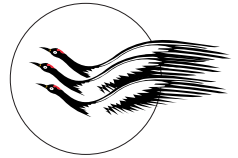


HOTEL ASSOCIATION OF BHUTAN

Taj

HOTEL TAJ TASHI





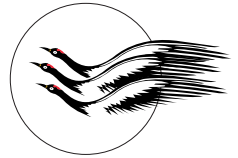
Bhutan can take pride in its achievement of **2.1%** aggregate national unemployment and **7%** unemployment for youth at a time when the world average unemployment rate is 9.6% and rising, with youth unemployment soaring at 12.7%. However, we are a country that has never known unemployment in the past, given our subsistence economy and high rate of illiteracy, which kept the majority of our people content in the rural areas. The unemployed educated youth of today tend to converge in the small national capital and other towns. Their small numbers will grow. What we are doing is not enough. Their disenchantment and disillusionment is cause for worry and their idleness is a huge loss to the nation economically and socially. 140,000 youth will enter the job market over the next five years. How we are able to convert this army of educated youth into nation builders will determine where Bhutan goes from here. Following are some of the initiatives that DPT will take to welcome our youth to shape our common destiny:

- 1) DPT will take up the issue of youth and unemployment on a war footing. We shall strengthen the Labour and Employment Ministry with the **appointment of a Deputy Minister who will be given** the responsibility to track and ensure that no youth in active search of jobs stays unemployed beyond a certain period of time. To this end, the DM will work in collaboration with educational and training institutions, business, industry, CSOs, corporations and government agencies. A Cabinet committee will advise and monitor the progress of interventions being taken by the ministry.
- 2) We shall continue to aspire for full and gainful employment and make it not only a government aspiration but a commitment of all stake-holders. As stated by our president in the foreword, Bhutan is at a stage when we have the choice to accept the huge inflow of youth as a problem and let ourselves be overwhelmed or embrace it as a vast opportunity for national wealth creation.
- 3) An annual youth conference will be instituted to bring together youth representatives from all sections of youth in institutions as well as those outside, and those with or without jobs. The meeting will bring our youth together with leaders of the private sector, local government, educators and trainers, other stake-holders, and policy makers including ministers to analyze problems and to find solutions that will go beyond the traditional practices and approaches.
- 4) We shall undertake a comprehensive demographic study and formulate a population policy that will inform, inter alia, education, health, agriculture, private sector and urban development policy and planning, especially as these pertain to youth and their wellbeing.
- 5) We shall analyze the challenges from the perspectives of cultural, economic, social and attitudinal dimensions as well as the existing and emerging opportunities arising from the youthful state of our demography and the challenges presented by the peaking stage of our demographic expansion.
- 6) We shall look at why, amid labour shortages at all levels in the manufacturing, construction

and tourism sectors; mega power projects; farms and the nation at large, our youth find no attractive or suitable employment.

- 7) We shall study why we are unable to bring about real improvement in the quality, security and perception of jobs in the business and informal sectors despite the necessary laws and regulations having been put in place. While civil service jobs will become scarce, why, indeed, is it that vacancies elsewhere go unfilled while the cry for jobs is real? We shall try to understand and find solutions to why our youth are not the preferred recruits for many of our business employers and why those who are recruited tend to leave even when alternative jobs are not secured. We shall look at how we can stimulate enterprise and create employment. We shall find ways to full employment!
- 8) Given that lack of experience is one of the main hurdles faced by young job seekers while seeking employment, a basic orientation and training scheme will be organized in the youth and employment centres as well as in institutions to give job seekers the basic 'experience' sought by potential employers. This will include, inter alia, equipping job seekers with basic skills in business/official letter writing, ICT, administration, and accounting. A certificate will be issued at the end of the training.
- 9) Online Job Portals will be revamped and continuously improved to become more user friendly and to enhance job matching, placement and referral services.
- 10) Apprenticeship and internship programs will be restructured to foster strong learning environments and productive contributions, and linkages with the private sector will be established.
- 11) Entrepreneurship programs will be enlarged to enrol more participants and their contents will be made more relevant and practical to ensure greater rates of success in self-employment. Credit guarantee and related schemes will be made more simple and accessible so that many trained entrepreneurs can embark upon their own businesses.
- 12) The central and regional employment centres will not only maintain close interaction with schools and institutions but will be required to identify and build links with potential employers and to maintain close interaction.
- 13) The employment centres will be required to track every active job seeker who has been unemployed after a set period of time and will be required to find solutions leading to their employment or appropriate training.
- 14) Each centre will make projections and set targets for job placement and prevent the need for job seekers to go to centres other than the nearest centre.
- 15) The performance of the centres will be assessed, and new and innovative approaches to deliver friendlier, reliable and more rapid and responsible services will be found.
- 16) Under the human resource development programme that will undergo a major revision, DPT will give highest priority to creating a high-calibre national skilled work





force by overhauling the content, process and image of our technical and vocational education and training programme (TVET). Various enabling policies, strategies, and programmes including incentive packages will be put in place to realize these objectives in collaboration with the private sector.

- 17) The Institutes of Zorig Chusum (IZCs) and Technical Training Institutes (TTIs) will be consolidated and restructured as 'Centres of Excellence' and establishment of at least two new IZCs and TTIs will be explored and undertaken in cooperation with the mega projects that are coming on stream.
- 18) A Technical Teachers' Training College will be established to produce trainers and to regularly update and upgrade the competence and quality of technical teachers.
- 19) DPT will ensure that the government, private sector, and CSOs will come together for mutual gain and national progress by achieving full employment.

DPT is firm in its belief that the true wealth of our nation is our human resource and that it is the only truly sustainable resource we have with its immense capacity for wealth creation yet to be utilized. Both as individuals and as a nation, the mental and physical ability of Bhutanese to survive and prosper under the most trying of circumstances has been evident time and again in our history. More recently, even the illiterate and semi-literate Bhutanese adventurers have demonstrated the extraordinary ability of the Bhutanese to endure and succeed in strange foreign lands.

One-stop job placement centres or "job cafes":

We shall establish the capacity to analyze market trends in terms of job creation and absorption, wage levels, waiting times for employment, etc. Tracer studies on the labour market outcomes of graduates over time will also be conducted so that adjustments can be made in training supply. We will ensure efficient dissemination of information to the public about employment trends. Employment services and other schemes designed to promote information flow will be established to improve the **functioning of the labour market**. Such services could include collaboration with local companies or schools to provide job information for young job seekers, to check the aptitude of applicants, and to provide counselling and job placement services. The labour market information system will be strengthened to include detailed statistics on the quality and quantity of jobs available in the labour market.

140,000 youth will enter the job market over the next five years. How we are able to convert this army of educated youth into nation builders will determine where Bhutan goes from here.

Support for Rural Youth: Unemployment is not only an urban phenomenon. The rural unemployed constitute a sizeable number. Besides, rural poverty, rural-urban migration, and shrinking farm labour are major challenges and concerns. We shall institute policies, strategies and mechanisms to enhance opportunities for rural employment. To this end, we shall make institutional arrangements for the Ministries of Agriculture and Economic Affairs and DHI as well as the BCCI to work together to develop strategies for rural employment and for bringing jobs that can be done on the farm either on a full time or part time basis.

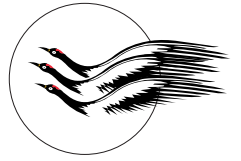
Supporting Private Sector HRD: To promote and expedite private sector growth and productivity and also to broaden the base of our economy, necessary support will be provided in developing and strengthening the human resource capacity of the private sector through multilateral and bilateral HRD arrangements as well as through in-country training programs. A national HRD master plan will be prepared in line with the national HRD roadmap to ensure effective implementation of the economic development policy and to make the private sector as attractive to job-seekers as government, which ultimately it will be.

Fostering safe, productive and happy workplaces: A nation's labour administration system is critical to success in employment facilitation and economic development.

We shall strengthen the Labour and Employment Ministry with the appointment of a Deputy Minister who will be given the responsibility to track and ensure that no youth stays unemployed beyond a certain period of time.

- Our labour policy will be guided by the vision to promote a productive, harmonious and happy working relationship between employers and employees.
- We shall redefine, redesign, formulate and promulgate best practices in labour administration by adapting and adopting the best tenets of universal human values and principles from various national and international policies and laws.
- We shall develop a social protection policy and a separate and attractive wage structure for the skilled workforce.
- We shall ensure timely revisions of the National Minimum Wage and National Workforce Wage in keeping with changes in the cost of living.





- Having already been an observer, we shall finalize our membership in the ILO and other relevant international and regional labour organizations.

Exploring opportunities abroad: DPT will explore the possibility of giving our youth the opportunity to work abroad to earn comparatively high remuneration. In addition to earning good wages with dignity, it is our hope that many of those who avail these opportunities will return to the country, having acquired and enhanced skills to raise professional standards in their respective fields. Such opportunities will be sought in the following areas by leveraging our fluency in the English language and our culture:

- Construction industry: hydro and general
- Rural electrification
- Care giving: nursing and basic care for the elderly
- Hospitality industry: hotels
- Security services: home, office and industry
- Education: as language teachers
- Others

DPT will establish procedures for employment arrangements to be made by the government in collaboration with private entrepreneurs so that those who are employed under this scheme receive legal and social security along with favourable remuneration and working conditions. In this regard our embassies will be required to provide all the necessary support to our citizens.

We shall ensure timely revisions of the National Minimum Wage and National Workforce Wage in keeping with changes in the cost of living.



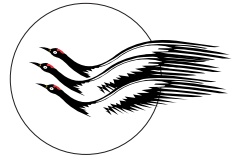


REINFORCING THE SECOND PILLAR OF GNH

Environmental Conservation







1. Staying Green and Carbon Neutral

DPT will continue to be guided by the farsighted policy promulgated by His Majesty the Fourth Druk Gyalpo to consider the ecological role of forests as being more important than their commercial value. We shall further consolidate Bhutan's image as a world champion on environmental and conservation issues and preserve its natural and biological heritage. We recognize that the destiny and wellbeing of our country are intricately linked to the health of our environment in view of our mountainous terrain, ecological fragility, and vulnerability to natural disasters. We shall ensure that our environmental health is safeguarded and we shall reduce our vulnerability to man-made and natural disasters.

Having placed over 50% of our territory under parks and protected areas, we shall develop a permanent financing scheme to ensure that the cost of conservation does not place undue burden on the nation while at the same time ensuring that party politics do not alter the course of Bhutan's commitment to conservation. We shall also continue to empower local communities to own and manage the local forests and the resources they contain so that the goods and services that forests provide benefit them directly.

Bhutan has pledged to remain carbon neutral for all times to come, which implies that we maintain our forest cover at a level where its carbon sequestration capacity will exceed the total carbon emission levels from various sources.

- We shall continue playing a leadership role in the global and regional arena on environmental issues with a set agenda on climate change, ozone depletion, and atmospheric (industrial) pollution in general.
- We shall vigorously pursue the implementation of the activities listed under the Framework Agreement on addressing the impacts of climate change in the eastern Himalayas that was drawn up during the Climate Summit for a Living Himalayas spearheaded by Bhutan in 2011.
- A directorate will be established under the National Environment Commission to oversee all climate change related issues including the negotiation of carbon trading and other financially rewarding environmental service schemes such as the Clean Development Mechanism (CDM).
- We shall promote partnerships between the government, communities, private sector, and civil society groups to address environmental issues and concerns in a holistic manner.
- We resolve to support and further strengthen the National Environment Commission (NEC) to enable it to better carry out its other responsibilities in the formulation and enforcement of environment policies and regulations.

2. Community Ownership and Management of Forest Resources

We shall continue to use community and private forests as an important strategy for rural employment and income generation. We shall provide an enabling environment for communities to engage in sustainable harvesting and use of non-timber forest products. This will include the identification and introduction of appropriate technologies, sustainable use practices, and linkages to markets. Emphasis in the coming years will be given to the development of business plans and product development and marketing for the community forestry groups.

We will continue to be guided by the belief that man and nature must coexist and that it is by acknowledging their mutual dependency that we can frame policies and pursue development with strategies that will ensure a world where man and nature can continue to flourish.

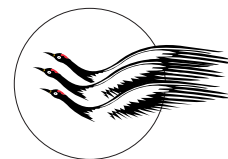
Towards ensuring that all forests are protected in ecologically vulnerable and catchment areas of major rivers, proper and detailed demarcation of their boundaries will be undertaken and they will be placed under stringent state management. We shall allot user rights and responsibilities for management of forests and forest-based resources such as sokshing, pastures, timber, sand and stones to local communities within boundaries as determined and established by the local government and in keeping with the Local Governance Act 2007.

3. Conserving Water – The Challenge of the Future

Being mindful of the rapid depletion of water resources as a result of climate change and global warming, we shall ensure that the Water Act 2011 is implemented in earnest.

- The NEC and the other stakeholders will be provided with the necessary resources to carry out the measures necessary to manage and use our water resources in a sustainable manner.
- While we shall continue to invest in hydropower development, we also recognize the need to plough back revenue from hydropower and other water based industries into a watershed management fund.
- Besides hydroelectricity, we shall continue to explore and enable foreign investment in our water resources, such as the bottling and export of water.





- We shall devise the best and most judicious means to sustain adequate and clean drinking water that we have managed to deliver to our citizens during the 10th five year plan and to increase reliable irrigation water to maximize agricultural productivity.
- We shall also remain sensitive to the riparian rights and needs of our neighbouring countries and shall harness our rivers responsibly.
- Judicious bio-prospecting shall be undertaken and opportunities seized to engage in bio-trading as permissible under national and international laws and to strengthen the capacity of the National Biodiversity Programme to coordinate the use, conservation and management of our rich biodiversity.
- Bhutan shall aspire to become a country that will lead by example to demonstrate how conservation and development can mutually support and advance each other.

4. Safeguarding our Flora and Fauna

Druk Phuensum Tshogpa is proud that during its five-year term, demographic expansion, agricultural growth, urban development, poverty alleviation, and ecological conservation were carried out harmoniously. While our economy grew by an average of nearly 9%, forest cover spread to 81%. We shall continue to be guided by the belief that humanity and nature must coexist and that it is by acknowledging their mutual dependency that we can frame policies and pursue development with strategies that will ensure a world where humanity and nature can continue to flourish.

- We shall promote broad-based participation of people in conservation programmes through awareness creation, incentives, and benefitsharing mechanisms.
- We shall minimize the disturbance to critical habitats and ecosystems through appropriate compensation mechanisms to affected communities and parties.

5. Managing Waste and Pollution

We shall take immediate steps to implement the provisions of the Waste Management Act 2011 for which the NEC and other line agencies will be adequately equipped.

- The NEC will be held responsible for providing policy directives, monitoring and evaluation, while the municipal corporations, dzongkhag administrations and various other agencies will be delegated the responsibility of dealing with urban waste and pollution.
- A national strategy for garbage management and pollution control will be drawn up focusing on subsidies for recycling plants, rules and regulations for garbage separation and disposal, liquid waste disposal, air pollution standards, emission controls, and subsidies for environment friendly hybrid vehicles.

- Advocacy on waste disposal measures, such as the inculcation of waste reduction in the minds of young children as a social responsibility will be carried out, and garbage sorting and recycling will continue to be strongly promoted.
- Alternatives to landfills will be found and at least one **zero emission** waste incineration plant will be made operational, preferably in the capital region, to remove the high risk of disease and effluents polluting our water sources, and to be rid of the visual offence and toxic and methane gas emission. In this regard, we shall explore possibilities for public private partnership.
- DPT is most appreciative of the initiative being taken by young entrepreneurs to manage waste. We shall continue to collaborate with them and assist them to raise their capacity with appropriate technologies.

6. Reducing Fossil Fuel Dependence

Druk Phuensum Tshogpa will in addition to providing incentives for alternative sources of energy, work towards controlling and strictly regulating the consumption of fossil fuels in the country to avoid the large social, ecological and economic costs associated with it.

In 2012 alone, Bhutan is shown to have imported Nu.5 billion worth of fossil fuel, a good amount of which went into the tanks of personal vehicles. Although Bhutan enjoys availability of fossil fuels through the **subsidized rate** provided by India, we

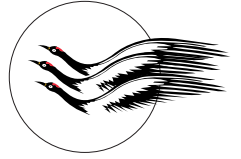
need to keep a check on energy imports to achieve economic self-reliance and to stand by our pledge to remain carbon neutral. Moreover, DPT is already fearful of the coming times when oil prices will be based on their real value, as will be compelled by the depleting reserves. We are mindful of how the habit of unrestrained use and dependency on petrol and diesel will make eventual rationing measures excruciatingly punishing both for the individual and for Bhutan. We need to prepare for this eventuality by slowly transiting to the coming oil-less era so that we, as individuals and as an economy, can still function well. That is why the DPT administration has already put in motion a programme for alternative energy development. Likewise, our plans for electric and non-carbon powered transport systems must be initiated in earnest during the 11th Plan as pledged in the following section.

6.1. Green transportation

DPT will initiate a programme for gradual conversion to green energy powered vehicles to be completed within a time frame as may be agreed with various stake-holders as stated hereunder:

- We shall introduce electric and non-carbon powered vehicles with necessary support and service stations in the cities and along the highways.
- Incentives will be offered as a product of collaborative consultation with the private sector to those who will invest in such infrastructure.
- Import of green buses and taxis will be subsidized, while tourist vehicles and other passenger vehicles will continue





to receive the same tax incentives and benefits.

- Government vehicles will be replaced in phases, with eco-friendly automobiles over the five year period.
- Mass transport systems such as electric train/tram in urban centres and cable ways and water transport where feasible, will be studied and supported with incentives.
- Public transport operation in major towns and cities will be given highest priority to minimize congestion and pollution while promoting social interaction.
- Government will explore the feasibility of distributing bicycles on an instalment basis, if not freely, with clear terms to ensure that these will be used for movement in the city (MoAF and NEC will look for donors like the Netherlands, Japan, Denmark and Sweden).
- Streets and city roads will be made more pedestrian and bicycle friendly.
- Urban centres like Phuentsholing will be converted to pedestrian towns with alternative routes for trucks and commuters.
- Operation of public transportation services, such as buses, will be liberalized and incentives provided for replacing old vehicles with newer, more efficient, reliable and eco-friendly ones.

- A feasibility study to connect the three valleys of Paro, Punakha/Wangdiphodrang, and Thimphu with **two separate tunnels** employing state of the art environment friendly technology will be undertaken early in the 11th Plan. The option of **electric trains, trams or buses** to ply through these tunnels will be considered while not leaving out the possibility of passenger cars as well.

We need to prepare for this eventuality by slowly transiting to the coming oil-less era so that we, as individuals and as an economy, can still function well.



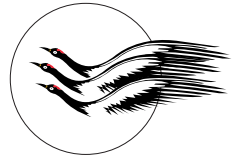


REVITALIZING THE THIRD PILLAR OF GNH

Preservation and Promotion of
Culture – Investing in our most
Valuable Asset







1. Enriching Life

The greatest asset of our country is perhaps, our culture. Small as we are, we are a unique entity, sovereign and independent. In harmony and peace, we are a nation that is prospering quietly. We have emerged from the obscurity of isolation to become a member of the globalized world on our own terms. We believe that it is the strength of our culture that has made this possible. And it is this culture in all its diversity that DPT is committed to preserve and promote.

We believe that culture, as manifest in its diverse forms of language, literature, religion and folklore; music, dance, art, architecture and crafts; agriculture, dress, traditional wisdom, customary practices and Drig lam Namzha define our nation state. These are what make Bhutan and Bhutanese unique. These give us cause for pride. It is our culture that has given us the wisdom to strive for things that matter to us as human beings in need of both mental and physical nourishment or growth – as people in search of material and spiritual contentment through refinement of thought and action. It is our culture that gave His Majesty the Fourth Druk Gyalpo the erudition to articulate, so very profoundly, the philosophy of Gross National Happiness.

DPT pledges to continue with its devotion to supporting any effort, private or public, to building cultural wealth. We are deeply thankful to the Royal Family, to the many Lams and Truelkus, both within the country and abroad, for their ceaseless efforts and sacrifices to conserve, reconstruct, build and enlarge our rich cultural heritage. In particular, we admire the contributions made

towards the restoration of Wangdue Phodrang Dzong, the Buddha Dordenma project in Thimphu, the Guru Nangsi Zilnoen in Lhuentse, and the Mila Repa temple in Phuentsholing. We shall continue with our endeavours to build a temple in every community and promote integrity of family and community. We shall also continue to support the growth of the film and music industry and literary enterprise. To these ends:

- DPT shall establish a procedure to give annual recognition and reward to the following:
 - national poet laureate,
 - national award for literature
 - national award for music
 - national award for contemporary and traditional art
- A state of the art theatre for the performing arts will, subject to funding availability, be built in Chhubachu area to support the vibrant performing arts (including plays). As demand grows, similar facilities will be planned and developed in other parts of the country.
- An academy of arts will be built in Thimphu.
- The film sector shall be rendered all possible support to organise itself into a vibrant professional industry thereby enabling it to harness its potential to the fullest. In particular, financial schemes shall be arranged to support the making of films that are of historic, cultural and

social significance and which also promote “Brand Bhutan” to a wide international audience.

- In order to promote community vitality, DPT will also designate certain days as parents day, spousal day, and good neighbours day. These days, while not national holidays, will be observed particularly in schools and institutions.
- DPT will continue to support the Dratsang, rabdeys, gomdeys, nunneries, shedras, pathshalas and dubdeys in the country through financial, administrative and fiscal measures.
- The reconstruction of Wangdue Phodrang Dzong will receive our highest priority.

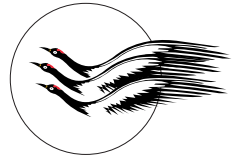
2. Giving Greater Attention to the Needs of Women and Children

Women are often confined to stereotypical roles and continue to be under-represented in all the decision-making fora. It came as a matter of regret that very few women participated and were elected in the recent local government elections. Likewise, DPT was unsuccessful in its attempts to encourage more women to join as candidates in the current National Assembly elections. However, we remain deeply encouraged by their higher and more active level of participation as voters and party workers in the last elections. Their enthusiasm in the current elections is, yet again, a reflection of their concern with the wellbeing of the nation as well as their determination to exercise their right

and duty as citizens. We will continue with our endeavour to ensure that our culture of gender equality is preserved and strengthened.

- Gender equality will be promoted in economic, social and political spheres and where necessary, special efforts will be made to encourage women's participation in local governance, national politics and civil society.
- We shall continue with our efforts to support the implementation of gender mainstreaming.
- We shall establish nurseries/crèches with nurses/baby sitters at major work places where nursing mothers may arrange to bring their babies to feed and to receive timely care.
- We shall also explore the possibility of longer maternity leave for working mothers.
- On the basis of financial viability, we shall also give serious consideration to the long standing dream of DPT to provide financial incentives (maternal allowance) to mothers to spend a minimum number of years devoted to child care during formative years with the security of career continuation.
- More concerted measures will be taken to stem the rising rates of child abuse, divorce, substance abuse, youth delinquency and alcoholism that have a far more devastating impact on women and children than men.





- We shall improve women's access to credit with schemes designed to enhance their economic capacity.
- Stronger enforcement of laws and regulations pertaining to gender based violence, alimony and child support will be implemented.
- We shall strengthen and provide holistic support to the existing mechanisms and institutions, including non-governmental organizations, that provide support to women and children.
- Enlightened legislation and policies to protect and strengthen the rights and welfare of women and children will be put in place. In this regard, we derived great satisfaction from the success of our special effort to achieve full parity in enrollment of girls and boys in schools with a high level of achievement at the tertiary education level as well. This also reflected our achievement in lowering early school drop-out incidence among girls, which received our highest priority during the last term.
- While the formal system has prepared a large number of Bhutanese women for the modern sector, the non-formal education sector has done wonders to empower our rural citizens, especially women. We shall give further impetus to the programme with clear targets in each community – exploring the possibility of even greater conveniences.

2.1 Protecting our children and youth from substance abuse

The rising incidence of drug abuse and alcoholism among the youth is a major cause for concern, primarily because of the adverse effects it has on the youth and the socially dysfunctional behaviour that it spawns.

- We shall continue to be tough on the sale of illicit drugs and their misuse.
- Random compulsory drug testing in schools and public places like bars and clubs, will be conducted, with compulsory treatment and rehabilitation for those who test positive.

We will strengthen and provide holistic support to the existing mechanisms and institutions, including non-governmental organizations that provide support to women and children.

- Police and other concerned agencies will be accorded appropriate support to facilitate and make it easier to deal with troublesome bars and clubs.
- Stringent and aggressive measures will be put in place to prevent and rehabilitate drug users and to punish dealers.
- We shall increase policing with penalties for premises selling alcohol to under-aged youth.
- Advocacy in schools and colleges and at youth centres on the ill-effects of drug abuse and alcoholism will be carried out by various concerned authorities.
- We shall strengthen and intensify counselling and correctional facilities to address juvenile delinquency. The existing youth rehabilitation and development centres will be expanded in close collaboration with non-governmental organizations.
- Support to volunteer organizations and NGOs that supplement government efforts will be increased.

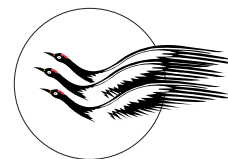
3. Investing in Sports and Recreation

DPT is deeply committed to expanding and improving sports facilities in schools, institutions, work premises and urban centres. We are aware of the lack of facilities all over the country and believe that the mental and physical health of our citizens, mainly the youth, could be considerably improved with better facilities and opportunities.

We shall therefore undertake to expand, establish and improve sports and recreational facilities wherever possible as stated hereunder:

- Night facilities for soccer, archery and other sports will be created wherever possible, especially in the urban centres and in the institutional sports grounds. In this regard, we are most encouraged by the highly encouraging result of the facilities established at the Chang Lingme-thang stadium and archery grounds that were availed by the last government from TATA as a gift.
- Investment in school sports and facilities will be increased to ensure that all school children receive high quality physical education.
- More competitive sports in educational and training institutions will be encouraged so that students have the opportunity to compete and excel. Participation in international competition will be promoted as an incentive.
- The establishment of a national facility for sports instructors to train our children both within and outside institutions will be considered.
- The construction of modern high quality sports and recreational facilities in large urban areas will receive special attention so that people have easier access to good multi-sport facilities.
- DPT will incentivize private initiatives to establish healthy and socially productive recreational facilities.





4. Honouring and Serving Senior Citizens

Druk Phuensum Tshogpa regrets its failure to give greater attention to the needs of the senior members of our society in our efforts to address the more immediate needs of alleviating poverty and expanding our revenue base. During the 11th Plan, we pledge to serve our aged citizens so that they may enjoy the dignity and respect they deserve.

Urbanization, increased mobility, and their resultant strains on the extended family structure are slowly but certainly edging out the aged to the margins of society. Veneration for the old is waning as modern ways place less value on traditional knowledge and wisdom. Remedial measures need to be taken before it is too late and before the core of our society suffers from wider neglect, indignities and loneliness.

- Druk Phuensum Tshogpa will promote integration and inclusion of the aged, building respect for them and engaging them in innovative ways to contribute to society.
- Special measures to promote the spiritual, emotional and physiological wellbeing of older people through family and community based care will be undertaken while stimulating voluntarism and NGO participation.
- Steps will be taken to strengthen formal and informal networks involving local authorities and civil societies and to institute voluntary mechanisms aimed

at creating a caring and compassionate society.

- Various options such as advocacy and even legislation will be examined so that the aged are not orphaned and marginalized by society and to counter the growing indifference and apathy that is beginning to appear in families.

Among the ways to venerate and express our gratitude to those who have given their youth to secure our wellbeing, we shall offer the following support services to senior citizens above the age of 65 years:

- We shall explore how insurance schemes can be made more attractive and responsive to the needs of our senior citizens.
- We shall arrange for travel concessions up to 50% when using any mode of public transport.
- Front row seats on buses will always be reserved for senior citizens.
- We shall arrange for separate senior citizen rates for hospital services including use of private cabins.
- Preferential treatment and access will be given to senior citizens at every public function and special escorts will be arranged for those without able companions.
- There will be separate queues for senior citizens and, where this is not necessary, they will be given preferential service.

In recent years, as we have become more mobile and as we become rootless, having abandoned our villages and families, we tend to leave behind old members of our families. Likewise, our urban life style and cost of living are such that nuclearization of families is becoming a sad reality. We shall study and explore various means to raise resources to give an allowance to be called **Dinthue** (gratuity) to needy senior citizens who do not have the benefit of pension to serve as an incentive to poor family members to look after those who might, otherwise, be dispossessed or abandoned.

5. Taking Care of the Physically Challenged and the Vulnerable

We will strengthen legislation and policy measures to respect, protect and aid the underprivileged and the differently abled. This shall include the following:

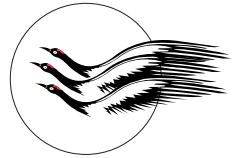
- Augmenting measures taken during the 10th plan to provide special health and education services and legal protection.
- Mainstreaming such members of our society through dignified rehabilitation and active participation in productive life.
- Working closely with the CSOs to formulate appropriate laws and support systems for the deprived and the needy so that no one is abandoned, homeless or driven to begging and other forms of indignities.

- Adhering to the principles of GNH, ways and means will be devised to strengthen and sustain our extended family network as the most viable and sustainable social safety net. We shall help to build a network of volunteers and NGOs at the national and community levels to support this natural extended family system with technical, logistical and financial help. To this end, we shall use existing social institutions such as the monasteries and nunneries complemented by NGOs for a mutually satisfying and gratifying collaboration.

6. Preserving and Promoting our Precious Mountain Culture and Communities

Our communities living along the mountain edges of our country protect our borders in peaceful and civilized ways. They prevent illegal encroachment that might threaten our territorial integrity and result in conflict in which the smaller often becomes the guilty party. In performing this sacred duty and in devising the means for survival and sustenance in these difficult settings, our mountain communities have not only flourished but have developed unique cultural wealth in both tangible and intangible forms. Recognizing the hardships they face, appreciating the role they play, and being determined to preserve their culture, we pledge to undertake the following in addition to the several forms of support extended by the previous DPT administration:





- Conducting research and taking measures to ensure the long term sustainability of **cordyceps** harvesting. Measures have also been planned to ensure that our mountain communities receive the highest returns for the crop.
- Promoting ways and means to ensure that these communities receive direct and higher returns from tourism. To this end, we shall support home stay development and ownership over the facilities that exist and will be improved upon, such as camping sites, rest areas and shelters. We shall arrange for local guides and better organization and ownership of transport systems including pack and riding ponies.
- The improvement of breed and care of yaks will continue to receive our support and attention as in the past. Better dairy equipment for processing, storage and transport as well as access to market will be provided.
- Rights and ownership issues over pastures will be resolved in favour of the mountain communities, and necessary amendments will be made in the existing relevant laws.
- Preferential treatment will be given to local job seekers for jobs in the mountain communities.
- Educational and health facilities will be expanded, upgraded and improved without applying standard demographic norms.

7. Urban Development and Wellbeing – The Biggest Challenge

Among the many challenges that will assume disconcerting proportions with each passing year is the problem of urbanization. If predictions are correct, more than 50% of the country's population will migrate to the towns within a decade from now. Given that almost all our towns are located in narrow, ecologically fragile river valleys, not to mention on rich paddy fields, we need a strategy to guide and regulate the direction of population flow through a combination of strategies based on legal, administrative, economic and social incentives or deterrence. Some of the main challenges we face are:

- Thimphu is growing at 7% per annum and its capacity to accommodate growth will soon be exceeded. Even at the present rate, the Municipal authority is unable to keep up with the rising demand for utility connections and other services.
- In Thimphu, water is in short supply, there are serious sewerage problems, and the crime rate is embarrassingly unspeakable for a country that is considered safe, peaceful and happy.
- The condition in other towns, big and small, is not much better, and in fact worse in Phuentsholing, where traffic congestion and air pollution problems are serious. In Mongar, Samdrup Jongkhar and Zhemgang, residents have to endure water scarcity.

- The population in Phuentsholing has been growing, but not the town's capacity to accommodate the new arrivals. Several hundred Bhutanese are living across the border to face a host of problems, including the problem of identity.
- Urban poverty is less visible but is of a kind that is far more painful socially and psychologically than rural poverty where community sense, interdependence and support are still largely prevalent. And this poverty manifests in the capital as well as in other cities in homelessness, prostitution, street children, and petty crime.

These urban development problems could be the biggest challenge of the next two to three decades. DPT is extremely worried and will address urban development and wellbeing as a major thrust area. Some of the steps we intend to take are the following:

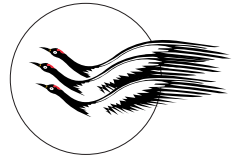
- i. Rapid development of rural areas** and delivery of a range of services are one set of solutions implemented during our first tenure. As a result, some indications of movement back to the village have become visible. Favourable land ownership laws are an incentive while a variety of schemes to raise agricultural productivity and profitability are already proving useful. Reinvigorating community life and giving cause for revival of traditional cooperation, albeit for a different set of reasons, as well as ownership of forest resources, will also

incentivize farmers to stay on especially if the resulting rural living standard and quality of life were to become as high as and even better than in the urban areas. But we also know that rural-urban migration has never been a phenomenon that any government has been able to reverse or even halt. Therefore, cities need to prepare for what seems inevitable and DPT is making preparations.

- ii. Rationalization of governance:** To begin with, we intend to re-examine present organizational arrangements to deal with this enormous responsibility. The entire decision making system and relationship between the ministry and the municipal authorities needs to be scrutinized so that there is a seamless connection and synergy between the central authority and local government. It is important that in our enthusiasm to decentralize, we do not leave the responsibility of urban planning, development and management to local authorities alone. They do not have the capacity or the resources to fulfil such vast roles especially when urban development and the consequences of its failures will be at the national scale.

DPT will therefore, initiate a comprehensive study and conduct an extended discussion with the municipal authorities to suggest legislative, administrative and financial solutions. It is likely that, while the municipal authorities may end up with more administrative and financial powers, the ministry will have to





bear the greater responsibility over how a city develops and responds to the larger structural, social and economic issues.

iii. Urban planning and development: We shall frame a spatial planning bill for the consideration of Parliament to provide a legal framework for urban development. Some of the features to be incorporated and promoted in urban plans will be the following:

- Efficient flow of traffic and service delivery systems, including water supply, waste management, and recreational and sports facilities, resilience to earthquakes, floods and fire, and aesthetic as well as ecological considerations will be among the many criteria that will be applied in the review process. Such features as pedestrian and cycle paths as well as proper bus lanes and stops will be a must. Common service ducts/lines will be made mandatory.
- We shall facilitate construction of separate/alternate routes for trucks and heavy vehicles especially in the border towns like Phuentsholing, Gelephu and Samdrup Jongkhar to reduce congestion, noise, and pollution and to improve safety.
- We shall ensure that public structures take into consideration the need of the physically challenged and visually impaired citizens.
- Existing libraries will be revamped and new and modern libraries built where new services like childcare, after-school education for pupils and IT learning will be delivered.
- Special incentive packages will be offered to those builders and owners who adopt sustainable construction technologies and materials, while adherence to Bhutan's unique architectural features with allowance for innovation and creativity within its bounds will be ensured.
- To spread the benefits of Thimphu's growth and to address congestion and related problems, the idea of a greater capital region with an efficient inter-city transport system will be studied. As noted above, this will look at joining the valleys of Paro, Punakha and Wangdiphodrang. In so doing, it will be the existing villages and the non-rice field hills surrounding these valleys where residential sites could be located.
- We shall initiate decongestion measures by relocating certain government and corporate offices outside Thimphu, Phuentsholing and other major urban centres. This will enable a better spread of the economic and social benefits of hosting large organizations while yielding the added benefit of less traffic, crime and pressure on amenities in the congested cities.

iv. A home for every family: Rapid urbanization is bringing with it the rapid growth of a population without adequate housing. It is the aim of DPT for every Bhutanese family to ultimately own a home, be it in the rural or urban areas. While rural home ownership is still high at 83%, home ownership is at a dismal low of 17% in the urban areas. It will be our endeavour to create the means through legislation and commensurate programmes to gradually achieve this home ownership goal. In the meanwhile, the following will be our programme for the next five years.

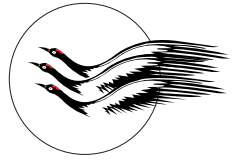
- DPT will conduct a thorough research and analysis of the problem on the basis of demographic and other relevant issues.
- We will make a projection for housing needs and demands in each of the urban centres.
- Availability of space/land, water and other factors will be studied and an assessment of the plans and measures in place will be made.
- We shall endeavour to ensure availability of adequate housing in urban areas and reasonability of rental costs through strict enforcement of laws.
- We shall expand our programme to build more and better public housing for low income earning families.

v. Making life and property safer: To counter the negative consequences of modernization, urbanization and consumerism, we need strong communities built on mutual respect and the rule of law. The challenges of growing crime – vandalism, domestic violence, rape, homicide, desecration and looting of temples and stupas, etc., – in our land of peace and happiness are disturbing signs of our straying from the path of GNH. While liberty of the individual must be prized, it should not be enjoyed at the cost of the safety and security of the law-abiding majority. An individual is safe and secure only when there are law-abiding neighbours.

The RBP programme to involve youth in law enforcement and to raise their appreciation and support for the law will be intensified. RBP will continue partnering with the public and youth at large with strengthened focus on Police Public Partnership Programmes (PPPP) and Police Youth Partnership Programmes (PYPP). Partnership with government agencies such as Thromdes, Education, Olympic Committee, and Local Governments will be sought to promote synergies to prevent and reduce crime.

DPT shall strengthen law enforcement and regulatory mechanisms to give our citizens and communities a greater sense of security and safety. The modernization and other initiatives taken during the last five years to strengthen the police force and provide it with the necessary resources





shall continue relentlessly. We are pleased that the RBP has become more competent and respected and that it commands the trust and confidence of our citizens. Public education and awareness of national policies and legislations will be continued and enhanced so as to create a law abiding and responsible population.

It is the aim of DPT for every Bhutanese family to ultimately own a home, be it in the rural or urban areas.



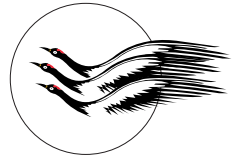


CONSOLIDATING THE FOURTH PILLAR OF GNH

Good Governance and Democracy







The ultimate test of democracy is the nature and quality of governance that it is able to promote. Good governance is the purpose of democracy. Without it, even the most excellent laws, institutional arrangements and processes have no meaning. Without good governance, there can be no peace, stability and progress. And without good governance, the other pillars of GNH will crumble. We believe good governance prevails when those elected to serve are guided by the principles of justice and equity. Where these principles prevail, there will be true representation, harmony in society, triumph of the rule of law, and sincerity in the pursuit of the noble principles enshrined in the Constitution. Where the rule of law is the basis of governance and functioning of society, government will be responsible, transparent and accountable.

Druk Phuensum Tshogpa commits itself, once again, to the promotion of equity and justice among all sections of our society. All our pursuits and programmes will be for the equal benefit of all Bhutanese. We shall continue to place the highest importance on maintaining peace, security and unity. We shall not take for granted our precious freedom and sovereignty and we shall continue to take measures to strengthen and preserve these gifts from our beloved Kings. And as we make progress in eradicating poverty and creating wellbeing, we shall strive hard to ensure that our dream of self-reliance will be achieved by the year 2020. In pursuing such principles and goals for the direct benefit of the people, we shall ensure that democracy flourishes to serve our King, country and people.

1. Building a More Responsive, Accountable and Accessible Government

Druk Phuensum Tshogpa believes in small government and has functioned for five years without changing the structure of government from what existed prior to democracy. The enormous size of our 10th Plan and the diversity and range of programmes and services that were undertaken placed tremendous strains on the policy and decision makers and those who must assume final accountability in a democracy. The public and media have rightly become more questioning in regard to decisions, expenditures, quality of outputs and their efficacy. Likewise, there is the need for more public consultation and a demand for more services to be delivered with higher efficiency and greater quality. Furthermore, certain sectoral programmes have not received due importance and attention at the political level. For instance, the energy and the trade and industry sectors had to be content with the divided attention of one minister.

The 11th Plan aims at further expansion and consolidation of programmes. This will call for closer political level direction and supervision. At the same time, for a country that depends heavily on international cooperation for both development and political reasons, frequent representation at the political level has become necessary. In light of the foregoing:

- DPT will undertake a thorough examination of the existing structure of government in order that we achieve a more rational allocation of functions

among the current ministries and bring about greater efficiency, effectiveness and accountability in their functioning.

- The sectors that require political level involvement and supervision are youth affairs, urban development and housing, energy, tourism, ICT, environment, and law and parliamentary affairs.

Searching for ways and means to improve the functioning of government will be a constant endeavour. During the first term of office, this was translated into action through the ABSD (acceleration of Bhutan's socioeconomic development) programme that brought about considerable efficiency gains in the functioning of government through policy, procedural and structural changes. Guided by the highest code of ethics, integrity and democratic principles, we shall persevere to keep government simple, friendly and accessible and shall keep public convenience and economy high on our mind.

We shall continue with measures to make government more transparent and accountable:

- More structured and effective media relations will be instituted in each ministry so that, learning from our past experience, we shall ensure a smooth flow of information between and among all concerned. We shall facilitate greater and timely access to information for the media.
- More open public discussions will be held on various issues of direct public interest

so that we achieve the dual purpose of informing and being guided.

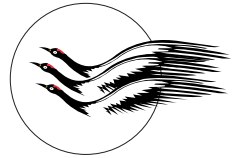
- We shall continue to make public all relevant government documents including all government policies, plans and budgets, except those with national security implications, so that the public is well informed and is able to hold the government accountable.
- We shall continue with the practice of monthly *Meet the Press*.

2. Reforming the Civil Service

The success of the highly ambitious 10th Plan is attributable largely to the dedication and commitment with which our public servants viz, the civil servants, and corporate employees served the nation under the DPT administration. Indeed, there is no doubt that the Bhutanese civil service is among the finest in the world. We believe that, regardless of which party gains the mandate to govern in the ensuing elections, the civil service as an apolitical machinery, will continue to serve with the same zeal and spirit.

Druk Phuensum Tshogpa is mindful of the ever rising cost of living and the difficulties faced by the public servants with the remuneration they receive. Despite the two pay raises implemented during our term, we are aware that it was not enough and that there is justification for an early institution of the Pay Commission to review government salaries and to recommend a revision that takes into account the cost of living and affordability.





- We shall direct the Pay Commission to undertake a comprehensive review so that TA/DSA, mileage claims, retirement benefits and other perks including vehicle allowance are also rationalized and made more adequate.
 - Rules allowing and encouraging civil servants to take domestic flights will also be formalized.
 - We shall also improve maternity/paternity leave rules and entitlements and consider innovative measures to enable one working parent to afford better care for children during their formative years as explained under the section on women and children.
 - We shall consider ways to create incentives and career advancement opportunities to motivate highly trained professionals to remain in their professions and areas of competence, as opposed to many specialized organizations and services losing their best professionals at the senior and leadership levels to positions and agencies that have little relevance to their knowledge and skills.
 - We remain committed to our policy of “small, compact and efficient” bureaucracy and will ensure that the civil service maintains its image as a highly respected, well-motivated and upright body of professionals, committed to the highest standards of service, integrity and meritocracy.
 - We shall introduce a reward and recognition system for outstanding public servants so as to motivate others. In this regard, we are deeply grateful to His Majesty the King for the high honour and reward bestowed upon the most deserving public servants.
 - We shall improve the role and capacity of the RCSC to raise the morale of the civil servants and to protect them from causes of insecurity and harassment in performing their duty. (This will include defining rights to certain post-service benefits in the event of dismissal under various grounds).
 - A review of the RCSC Act 2010 as well as the rules, which are perceived to be very restrictive and counterproductive to the efficient functioning of agencies, will be undertaken.
 - We shall accord the highest priority to reforming the civil service through a broad based consultative process.
- We welcome, as a very timely and wise Royal intervention, the initiatives being taken to establish an institute for strategic and policy studies in Phuentsholing, to be housed at the Bhutan India Friendship Centre. We believe this will meet the need for an officers’ training institute both for civil and military officers. Exchange programs with premier institutions in neighbouring India like the IAS, IIMS, IITs, National Defence College etc. will be initiated, and experts from these institutions and others will be invited under arrangements to be worked out carefully.

3. Ensuring Efficiency of Service Delivery

A primary indicator of good governance is the ease and convenience of access and adequacy of public services to the people. In the past, due to various reasons and constraints, the onus of accessing most services was placed on the citizens, which often made 'free' services costly in terms of travel time, expenses, bureaucratic indecision, and long waiting time. DPT believes in placing the onus of service delivery upon the government and to make it cheaper, quicker and as convenient as possible. We believe in delivering as many of the services at the door step as possible.

It was with this in mind that the DPT administration embarked upon an ambitious plan of action under what is termed the G2C (government to citizens) project to identify the most commonly availed services and to deliver them through one window at the community level. We have tried to deliver many of these services electronically at home through ICT facilities, including mobile phone, the use of which has spread to over 90% of our population. 146 services are currently being delivered through the community centres that have been connected to internet or provided directly by agencies through online facilities.

- We shall complete the establishment of community centres with internet connectivity in all the gewogs and ensure that all these and more G2C services are available in the 11th Plan.
- Likewise, we shall improve further the public relations service in each agency toward more efficient and courteous delivery of services.

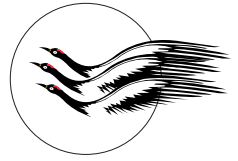
- We remain committed to ensuring that all citizens receive equal treatment through strong emphasis on transparency in decision-making processes on all matters in the larger interest of security, peace and justice in the country.

A Monitoring and Evaluation team will be established under the Prime Minister's Office to provide reports and research based on directives from the Prime Minister or the Cabinet. This team will provide the Prime Minister with evaluations and recommendations to the Prime Minister on key operations of the Government and will also follow up on implementation of executive orders. It will submit regular reports to the Prime Minister on the efficacy of the G2C services right down to the gewog level in respect of all the agencies, and make periodic recommendations on how the public can be better served.

4. Outsourcing of Government Functions

We shall continue to explore possibilities for outsourcing more non-core government functions to specialized entities in the private sector in order to lower costs and to ensure that the focus of the executive is directed at its core competencies only. Further, we shall pursue this option to keep government small while not compromising quality and efficiency in the delivery of services. As initiated in the past five years, such outsourcing will include services such as civic amenities, security, public relations, transportation, surveys and consultancy, information communication and technology, real estate management, event management, janitorial service, etc.





DPT proposes to conduct a study of the successes and failures of outsourcing carried out during the past five years. On the basis of the findings we shall consider what other functions can be outsourced to the private sector to bring about advantages to the public beneficiaries while also looking at how costs can be lowered and quality of services improved. The public services outsourced will be monitored effectively and procedures will be put in place to hold periodical consultations with service vendors in order to take corrective and remedial steps.

5. Legislation for Rule of Law

The essence of democracy is the rule of law. But law cannot rule if it does not exist and grow as a corpus of legislation to address the needs of an increasingly dynamic society. Society is changing, values are being defined and redefined, and roles and relationships are being altered at the organizational, community and individual levels, while resources such as land in particular are depleting fast and societal aspirations are changing. Many of our existing laws are rendered obsolete as a consequence. These demand a sensitive, responsive and wise legislature that can continuously create, expand and improve the body of laws.

Our position on the Constitution: All laws must receive their inspiration from the fountainhead of our Constitution. Crafted under the guidance of His Majesty the Fourth Druk Gyalpo, the Constitution reflects the collective wisdom, values and aspirations of the Bhutanese people. It is a document that the DPT is fully committed to sanctifying and preserving without alteration.

Our wish to do so arises not only from the completeness and the timeless relevance of every word of the sacred document but also from the need of our society to have an anchor in a constant, unchanging and unfaltering guide for all our pursuits, conduct and advancement. In altering the sacred document, we lose our guide in the ceaseless journey to unpredictable destinations.

Throughout our term of five years in government, we have stood by our appeal to makers and interpreters of law to understand the Constitution for the essence of it, and for its principles and intent as a guide for the advancement of society – recognizing that its spirit goes beyond the letter. We urged that it be not applied as a rigid legal structure to constrain societal growth and capacity to respond to changing situations. ***We have always argued for its liberal interpretation.*** This is because narrow interpretation of the Constitution will render it restrictive and limited and vulnerable to change, just like all other laws that are established to address specific societal matters and, as such, are to be applied according to the letter and less in spirit. And as such, the letter must change with the times. Not so the spirit enshrined in the Constitution! It was only because of the withdrawal of DPT from several issues that narrow interpretation was allowed to prevail and the unholy act of debating on the relevance and adequacy of Constitutional provisions was averted. But should the appeal of DPT to acknowledge that the spirit of the Constitution goes beyond the letter not receive greater attention, our fear is that, regardless of who is in government or opposition, the sacred book will be at risk of being altered. Once that happens, a forbidding threshold will have been crossed and the Constitution will have lost its sanctity. We will therefore, continue with our appeal.

In keeping with our belief and in order to prevent further violations of the Constitution, we shall address, on a priority basis, the matter of the two grave instances of Constitutional violations. These are firstly, the Constitutional crisis that arose when the National Council became dysfunctional between 16th March and 10th May, 2013. This was in violation of the Constitutional provision which clearly establishes that the NC is, in effect, a continuously functioning body and that not one day must pass in the life of the nation without the NC being in place to serve as a house of review. The other violation took place when the ACC usurped the function of the Office of the Attorney General (OAG) to prosecute. The Constitution, for profound reasons, separates the functions of investigation and prosecution of corruption cases and vests the ACC with the former function and the OAG with the latter. Laws that are ultra vires to the Constitution, and under which such violations have taken place, will be amended.

While the DPT government has introduced and successfully steered the passage of 39 laws, in addition to many amendments and the adoption of international and regional instruments, law making will only become more complex, contentious and urgent in the future. It is for this reason that the DPT will initiate a regular programme for the continuous enhancement of the law-making competence of its members in the NA and of other potential representatives in the party. With 45 of our members having served for five years in Parliament, we have acquired an incomparable legislative expertise and are better prepared for the greater task ahead.

Some of the new laws that will be tabled are:

1. Spatial planning bill

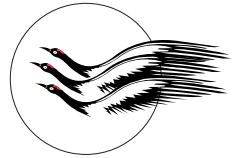
2. Public service delivery bill
3. LG entitlement bill
4. Land bill
5. RTI bill
6. Statute of limitation bill
7. FDI bill
8. Impeachment bill
9. Tourism bill
10. National health bill
11. Biosafety bill
12. Education bill
13. Animal welfare bill
14. TVET bill
15. Essential services bill
16. Social protection bill

5.1 Ensuring equal protection of and treatment by the law

A determinant of the quality of good governance is also the prevalence of the rule of law. This, in turn, is directly conditioned by the adequacy and quality of laws and the manner in which laws are interpreted and justice dispensed by the judiciary.

- Druk Phuensum Tshogpa is committed to drafting and presenting to Parliament bills that respond to the changing needs of society as indeed we have done in the last five years during which 39 laws were passed.
- With the experience and knowledge gained over the five years in law making, and having experienced the consequences of the mistakes we made, we shall also work towards the necessary amendments,





consolidation and harmonizing of the various existing laws.

- Through advocacy and timely dissemination of laws and regulations, we shall create awareness and educate our citizens so that they are fully aware of their rights and duties as law abiding citizens.
- We are committed to supporting the dispensation of fair, transparent and expeditious justice by the judiciary, and will ensure that all people are entitled to equal protection and treatment by law.
- The existing laws governing the judiciary will be carefully reviewed with a view towards strengthening the judiciary and the autonomy and independence of the courts at various levels within our judicial system.
- The family and juvenile benches in Thimphu and Phuentsholing courts that provide women and children friendly judicial services will also receive our undivided support.
- We support the vital role of the informal dispute settlement mechanisms at the Gewog and community levels as well as the traditional arbitration and adjudication bodies in various areas. We welcome the steps taken by the judiciary in this regard.
- We shall ensure equal access to legal support and protection for the poor who are financially disadvantaged. Pro bono legal support will be made available to

those who are unable to afford legal counsel/jabmi.

5.2 Working independently in concert with Constitutional bodies

It is the conviction of DPT that the independent and effective functioning of the oversight mechanisms of our democracy are key to government transparency and accountability. Compromising their independence is to deprive our democracy of the means to hold government responsible. Without independence, they will have no power and courage to point out and require government to take corrective action when it goes wrong. We have therefore, not only respected the independence of the Constitutional bodies but have given the highest priority to building their image, competence and authority. We have rendered whatever support was sought including grant of special allowances where justifiable. We have respected and implemented their observations, recommendations and decisions expeditiously wherever feasible. And it is our commitment to continue to do so.

- We shall ensure that only persons of the highest integrity of character and proven merit and competence are appointed to head such bodies.
- We shall allocate the necessary human and financial resources to the Anti-Corruption Commission (ACC), the Election Commission (ECB), the Royal Civil Service Commission (RCSC), the Royal Audit Authority (RAA) and the Office of the Attorney General (OAG) to enable them to effectively discharge their important functions.

However, there appears to be a growing perception that the respect, trust and support extended to the Constitutional bodies by the DPT administration have not been reciprocated. There is the sense that the DPT administration has received little or no understanding from some of these organizations and that its strong majority in Parliament gave cause for the bodies to feel threatened. This may have prompted feelings that cooperating with the government would be seen as being submissive. DPT shall strive to remove such unfounded fears as we serve the same cause. We shall endeavour to promote mutual trust and respect based on the understanding that cooperation need not come at the cost of independence or autonomy, whereas working against each other will harm democracy and the nation. To this end, we shall consult each other and establish a forum for regular discourse between the Government and the Constitutional bodies so that each of us can best perform our functions separately but with cooperation, and without in any way compromising our independence.

6. Making Right to Vote a Free and Convenient Duty

Democracy has no meaning if large numbers of eligible voters in the country are deprived of the opportunity and fundamental right to cast their votes, because of economic constraints and logistical inconveniences. We recognize the need to facilitate voting and to maintain high voter turnout, and more importantly, to ensure political responsibility, accountability and representation. We shall therefore, work to create conditions – by providing and promoting more convenient and affordable facilities – to ensure that all eligible

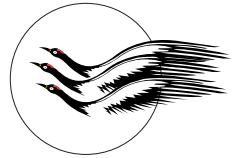
voters are not denied their fundamental right to choose their representatives.

The DPT has made several suggestions to the ECB to this end. We have proposed that polling booths for all 47 constituencies be set up in the major population centres in several regions for the coming elections. This would enable convenient polling for citizens and ensure high voter participation. However, the ECB has expressed its inability to make such an arrangement this time for a number of good reasons. Nevertheless, we thank the ECB for broadening the opportunity for absentee/postal balloting to include large communities of Bhutanese living abroad, among others.

We shall continue to support the strengthening of the Election Commission to enable it to carry out its critical mandate. Our support shall include, inter alia, the following:

- To hold substantive and structured consultations at the end of each election to devise ways and means to overcome the problems encountered; to discuss the lessons learnt; and to agree on new and innovative ideas to be incorporated in future elections.
- To find solutions to the possibility of weak coalition governments being formed in violation of the principles of the Constitution and to ensure that the need for genuine choice is met. Parties must be able to offer distinctly different ideas and programmes to the people.
- To find ways to minimize election costs without compromising the need for





effective campaigning by parties and candidates to deliver their messages and present themselves.

- To continuously collaborate on how to promote optimal voter participation in all elections to make our governments truly representational and democratic, and to engage in a sustained voter education programme.
- To find better and more fool-proof means to prevent violation of election laws so that the purpose and principles enshrined in the election laws and the Constitution are fully adhered to by all parties and candidates.

Deeply convinced that the means by which a party comes to power will condition the way in which it will govern, we shall work closely with the ECB to prevent corruption from creeping into the electoral process, and also to regulate and monitor the ways in which the parties conduct themselves at all times.

7. Rooting out Corruption – Zero Tolerance

The Druk Phuensum Tshogpa is fully mindful of the reality that corruption is the bane of most developing countries and the primary reason for the under-development and misery of nations. Like an incurable cancer, unless rooted out from the very beginning, it grows and spreads until it has consumed society itself. Corruption impedes economic growth, induces inequality, deepens poverty, breeds injustice, and results in exploiting the poor.

DPT will persist with its policy of *Zero Tolerance* to corruption. We are fully committed to battling corruption in all its ugly forms such as outright bribery, favouritism, nepotism, misuse of power and influence, intimidation, and generally unequal treatment of people. No society or nation can afford corruption and it is an evil that we will not tolerate. We shall continue to promote public education, and special advocacy programmes including in schools, to increase public awareness as a strategy for prevention of corruption. We shall endeavour further to enhance transparency and accountability and strengthen further the instruments of checks and balances.

- As stated in the section on Constitutional bodies above, we shall work closely with the Constitutional bodies not only to lie in wait for corruption to happen so that the guilty can be punished but to prevent it from happening and growing.
- We shall work closely with the ACC and the RAA to amend laws, regulations and rules to deal effectively with corruption while not causing the bureaucracy to become fearful of taking bold initiatives and being decisive. That such a trend is visible is cause for concern and calls for urgent attention. The possibility of government becoming paralyzed by the inaction of fearful public officials merits deep consideration.
- Concerted efforts will be made to expedite the process of investigation, prosecution and trial, and the uniform application of laws to all citizens alike.

- Systematic reviews and simplification of rules and regulations will continue to be undertaken.
- We shall support the ACC and the RAA to identify the causes and forms of corruption so that a comprehensive and practicable anti-corruption strategy and implementation plan can be formulated and implemented jointly.

The sincerity of DPT in fighting corruption is borne out by the willingness of the Prime Minister and senior ministers to subject themselves to ACC investigation despite the fact that the allegations made by certain politically motivated sections had nothing to do with the period of DPT administration. We believe that by submitting ourselves to investigation we have substantially raised the credibility of the ACC and proven the commitment of DPT to its policy of zero tolerance of corruption regardless of who, when or where it may occur.

8. Nurturing the Media for the Sake of Democracy

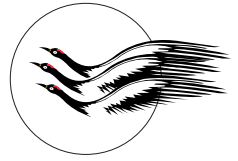
The role of the media in all its forms will receive the fullest support of DPT. We believe that democracy without freedom of information is not possible and cannot be true. The flow of knowledge, information and views is what helps shape public opinion to make informed choice. It stirs public debate, facilitates discourse, enables responsible criticism, and holds government and representatives accountable. It empowers the people to make democracy real through active public participation in governance – in policy-

making, planning and legislation. It is the media that serves as the most powerful instrument of the citizens to keep government in check and hold it accountable. It reminds those in positions of leadership that they are elected to serve, not rule.

- DPT will continue to guarantee the freedom and independence of the media just as it has done in the last five years.
- We shall provide easier and more prompt access to all forms of information except those that may compromise national security and interest.
- We shall continue to provide direct and indirect support to the professional development of the media.
- We shall explore all avenues to promote the growth and development of the media without in any way making it beholden to the government.
- We shall seek public opinion and input on the *Right to Information* Bill by engaging in a broad-based and thorough debate in order that Parliament can consider it.

We are also mindful of the dangers arising from a misguided or irresponsible media. Just as an independent, professional and responsible media is critical to the flourishing of democracy, it can be the very cause for its destruction. That is why it is essential that it is not only independent from government but from all other powers and interest groups including those who own it. News or information must never be owned, influenced or manipulated by anyone as are physical structures, equipment and financial assets. The dangers of





a corrupt and manipulated media will always threaten democracy, whether in a small and vulnerable economy or in a large and powerful nation. Our media is no exception. Druk Phuensum Tshogpa will strive to create the environment for a truly free and responsible media.

9. Strengthening Decentralization: Bringing Power to the People

Druk Phuensum Tshogpa will not be swayed from its conviction that power to make decisions affecting the lives of the people must rest with those who are closest to the people. It must be vested in those who are trusted and elected by the people and who in turn can be directly held accountable locally.

- Druk Phuensum Tshogpa will deepen decentralization by strengthening the laws, institutional arrangements and the processes that it initiated during its tenure, so that the capacity of the local governments to fulfill the aspirations of the people they serve can be further enhanced.
- Through the annual conference of the local government leaders in the capital, we pledge to develop and improve ways to make the functioning of local governments more responsive, transparent and accountable.
- We shall devolve more responsibility, administrative capacity and financial power to local governments to own and control local level development and to deliver local services.
- The share of 11th plan budget outlays for the local governments will be increased and the proposed new budget allocation formula for gewogs will be applied after further consultation with the local governments. In this regard, we have ensured that local level development in the 10th Plan was the product of local decisions – a bottom-up approach in keeping with DPT's policy and pledge. The implementation progress and the changes made thereto were the subject of the mid-term review or consultation that the government conducted with broad-based local representatives in each Dzongkhag. We shall consolidate and deepen these processes and strengthen the competence of the local governments.
- We shall conduct a review of LG laws and regulations and propose necessary amendments in consultation with all stakeholders on the basis of experiences gained since the enactment and implementation of the Acts and from the lessons learnt during the five years of democracy. In so doing, we shall examine how the Acts have been implemented and whether some of the problems may be overcome through minor administrative adjustments and changes or even clarifications in the interpretation of rules and regulations. A typical problem concerns properties that are adjacent to or are parts of extended throms which must pay fees and charges for services and amenities that are yet to be provided.
- Likewise, there is the need to redefine and clarify the functions and remuneration schemes of thromde thuemis in order that

residents who are more capable may be attracted to participate.

- DPT is also mindful of the urgent need to revise the entitlements for the Gups, Mangmis and Tshogpas of gewog administrations, and shall take the matter up as early as possible through the enactment of an entitlements bill.
- We shall promote greater community participation, transparency, responsibility and accountability in the functioning of the local governments. To this end, we shall strengthen the arrangements for consultation at the chiwog, gewog and Dzongkhag levels.
- DPT shall carry out a detailed study on the many proposals we have received during our term of office for the separation and consolidation of gewogs. The study shall take into consideration the fact that time and distance and indeed even geography, and their direct influence on how services were delivered and areas administered, have been vastly altered by the developments carried out by DPT Administration. The study shall also be guided by the DPT policy and goal to consolidate and improve the quality of physical infrastructure and services during the 11th Plan while making efficiency gains and raising effectiveness.
- We shall build a healthy and mutually beneficial and supportive relationship between the officials elected to serve locally and those elected to serve nationally – between those whose nature of work

is essentially executive and apolitical and those whose role is legislative and political – to benefit the people.

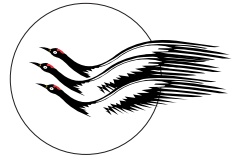
10. Staying Close to Serve - Role of National Assembly MPs (NAMPs)

The role of government has changed as it must between that of the distant past and the ways of democracy – from taming and subduing people for national unity and stability to serving the people and being guided by their will.

But ancient attitudes and perceptions still prevail. There are those with strong views that keeping distance, staying away from familiarity and close interaction with the people, must be the way of government and public representatives. Hence, the view that the NAMPs belong to the capital and not in the village – that once elected, they should have no direct role in influencing the life of the voters they represent. This is furthered by the deep-seated mistaken notion that the post of NAMPs is a privilege that others must enjoy in turn. Anything that would give the NAMPs reason to be involved with the people is frowned upon as gaining advantage over a future adversary. Those who hold this view maintain that voters must be kept away from their representatives so that the resultant friendship, understanding, respect and trust between the elected and electors do not oblige voters to favour incumbents – that there must be a ‘level playing field’ for competing candidates.

The focus, in that particular view, is not on getting MPs to serve; it is rather on how the governing party must not have an edge over other parties





and their candidates. While this approach would, in fact, give cause to the electorate to resent their incumbent representative for neglecting them, this view is also in direct contradiction to the very essence of what representation means. Representation is about staying close to the voters, caring for them, gaining their trust, giving them a sense of security and confidence, and making a difference for them – so they know that they have a person who cares and represents their interests. This must form the basis of choice at the polls. Some will fail and disappoint, and that is when the voter must look for others on whom to place his or her trust.

DPT believes that the greater the trust and closer the relationship between the voter and the elected, the higher will be the sense of responsibility and accountability of the representatives to strive for the good of the electorate and thereby to promote the purpose of true democracy. NAMPs have direct responsibility for the development and wellbeing of their electorates, and as their election is based on the pledges they make for the improvement of life in their constituencies, and as their primary role is to represent the interests of their electorates even as they have larger legislative and policy making functions, it is their duty to be involved in local development. To this end, it is in the interest of good governance and democracy to create as many conditions as possible to keep the two sides close and engaged – to compel the NAMPs to be with the people as often as possible. This must be done without undermining the mandate and work of local governments while maintaining the non-executive role of the NAMPs.

The DPT believes that CDG is an innovative way to bring the community, the local government, the

Dzongdag and the NAMPs together in partnership and mutual respect for the benefit of the people. It is the only way for the NAMPs to stay in touch with the electorate in a useful way and remain familiar with the day to day challenges and hopes and aspirations of the people to make them true representatives in parliament. In the absence of CDG, there is no role for the NAMPs to be involved in improving the wellbeing of the electorate beyond what the NC MPs do effectively under a different mandate. In the interest of democracy, NAMPs must therefore not be allowed to stay away from their own constituencies. Good service-minded people with leadership qualities will not want to join politics if joining politics is being confined to legislation with no role in making a difference at the community level. We will therefore, continue with CDG as supported by all the Dzongkhag Tshogdus.

The impression that the CDG is unaccountable in the hands of the NAMPs and that it can be spent irresponsibly to give them unfair advantage in the elections is misplaced. The facts about CDG are the following:

- i. The CDG is included in the national budget,
- ii. The projects to be financed under the scheme are decided by the Gewog Tshogde (GT),
- iii. The projects must be endorsed by the Dzongdag and forwarded to the NAMPs,
- iv. The NAMPs can accept and request the Finance Ministry for immediate

release of funds only with the approval of GT and endorsement of the Dzongdag,

- v. The Finance ministry releases the money directly to the account of the Gewog Administration,
- vi. The projects are implemented/executed by the GT or the community/NGO and monitored by the Dzongdag and are subjected to auditing. The NAMPs have no executive role. What they do is the same as what the NA does in the case of the national budget – i.e. approve budgetary appropriation on the basis of justified need, and
- vii. CDG provides a quantitative and qualitative basis to assess the capability and contributions of the NAMPs.

The role of NAMPs in local development will be one that is supportive and facilitative. At the same time, we pledge that they will remain fully conversant with and be sensitive to the needs and problems of the people in their constituencies. For this purpose, our representatives will visit their constituencies at least twice a year and spend time with the people, using CDG as a vital tool and framework for overall understanding and knowledge of local development issues and challenges.

The NAMPs will also conduct a pre-midterm review of the Five Year Plan in order to assess the Plan progress and to inform the national mid-term review process. This will enable them to make the

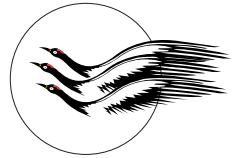
best possible inputs toward ensuring that local needs and priorities are properly and correctly addressed through legislation and through the planning and budgetary processes. They will play a strong role in ensuring that the Cabinet and government agencies are well informed and educated on the affairs of their constituencies and make timely interventions in Parliament and in the various decision-making processes at the national level. Furthermore, our NAMPs will play an active non-partisan role in the villages and interact with local leaders and support local governments in the fulfillment of their mandate.

11. Preparing for Calamities in a Destabilized Environment

In this era of depleting resources, demographic challenges, industrial and urban expansion, global warming and climate change, natural and manmade disasters are on the rise globally. Devastating events in the last five years at home and abroad stand witness to this unfortunate truth. As a country in the environmentally fragile Himalayas, and as there are no means to stave off the consequences of the actions of other nations, we have to progressively strengthen our disaster management capacity. This we shall continue to do through further advocacy, institutional arrangements, legislation and regulations.

We have developed and strengthened the disaster management capacity of the country by establishing the Department of Disaster Management and the enactment of the Disaster Management law leading to the development and implementation of Disaster Management Plans at the National, Local and Institutional levels.





- We shall implement the provisions of the law with a sense of urgency so that life, property and population centres become less vulnerable, and homes and public buildings are made more seismic resilient and fire resistant.
- We shall explore possibilities of crop insurance against natural destruction. Populations directly in the path of natural hazards will receive our highest attention and protection.
- We shall update and augment our plans of action to deal with the outbreak of diseases or famines.
- We are strongly committed to ensuring that risks associated with geo-hazards are prevented and reduced. Towards this, we have undertaken studies, and will continue to do so, on potentially dangerous lakes and we shall prepare landscape inventory maps and earthquake hazard and risk vulnerability maps, among others, which will be used for advocacy and dissemination to the vulnerable communities.
- We shall enhance the hydrological network for water resources assessment and improvement of flood information/GLOF early warning system.
- Towards this, we shall augment and install additional GLOF early warning systems in areas vulnerable to GLOF and put in place hydrological monitoring network systems to have a better information base on

hydrology and to understand our water systems better.

- We shall also strengthen the Meteorological Network Coverage and enhance Weather and Climate Information Services.
- To achieve this, we shall frame a national hydromet services policy and expand the meteorological observation and monitoring network and other required infrastructures.
- DPT pledges to ensure prompt assessment of damages caused by natural calamities and rapid delivery of relief as well as compensation in terms of both cash and materials. Taking advantage of lessons learnt, we shall strengthen the mechanisms, methods and systems to assess the extent and types of damages to determine the eligibility and scope of assistance or compensation. We have done our best in the past disasters but regret our failures as well. In this regard, we are deeply indebted to His Majesty the King for his guidance and the most timely and meaningful kids.

12. Building Friends and Partners for National Wellbeing and for a Better World

DPT believes that Bhutan, as a member of the United Nations, fully committed to the principles enshrined in the charter of the world body, must continue to be guided by the faith that

multilateralism is key to finding solutions to the growing number of problems challenging the world. These include, economic, social, political, security and ecological challenges. We shall participate actively in all the discourses and efforts to strengthen the United Nations, its various organs, and the other multilateral processes and mechanisms. We shall also continue to engage actively in the work of the SAARC, BIMSTEC, NAM and the Asian Dialogue, and to work closely with the LDCs and small island developing states to promote understanding and cooperation at the bilateral, regional and international levels.

However, given our limited capacity, DPT's foreign policy will focus more on areas and issues that are of direct relevance to Bhutan and where we have a greater ability to contribute. Among these are environmental and social issues.

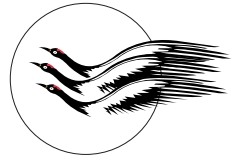
- We shall endeavour to enhance our participation in and contributions to discussions on sustainable development as we have done in the last five years.
- We shall continue to play a leading role in the global deliberations on the post MDG – post-2015 development agenda. In this regard, we shall persist with our advocacy for the world to adopt a GNH inspired holistic and sustainable development paradigm that acknowledges the wellbeing of all life forms and human happiness as the purpose and meaning of development.
- We shall continue to be very selective in the adoption of international conventions and instruments. Those that we adopt

will receive our strict compliance in our pursuit of a more peaceful, safer and just world.

At the bilateral level, DPT is proud to have expanded Bhutan's diplomatic relations during the term of its administration. From a total of 21 countries at the beginning of our office, Bhutan established diplomatic relations with 53 countries at the end of it. This has significantly raised the image and stature of our country and strengthened our sovereignty and security.

- For a country with limited resources, DPT will continue to conduct its foreign relations through a small number of resident embassies or missions. In addition, we shall establish virtual embassies by taking advantage of ICT and by appointing Thimphu based roving ambassadors.
- Economic diplomacy will be a major focus as we strive purposefully toward self-reliance by 2020. DPT will employ diplomacy to access all sources of development funding that Bhutan is eligible for and which are supportive of our policies. This will include multilateral and bilateral assistance as well as that of private and corporate foundations etc.
- We shall mobilize adequate resources for the 11th five-year plan from existing as well as new donors.
- We shall explore markets more vigorously for our goods and services by developing trade relations within and outside the





region. In this regard, we value and appreciate the immense contribution of our development partner countries and other donors that have enabled us to make significant socio-economic progress while staying true to our unique philosophy of GNH.

The cornerstone of our foreign policy has always been our relations with India. This is not only because it makes economic and political sense but because it is common sense to get on with our closest neighbour. India keeps open its vast and immediate market to all of our goods and is also our access to all other markets. Above all, India is our most dependable and generous development partner.

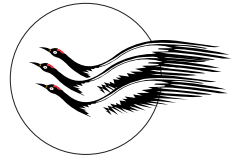
- DPT shall always accord the highest priority to sustain, nurture and deepen our special friendship that has become an exemplary model of good neighbourly relations.
- We shall explore and exploit all mutually beneficial opportunities that are offered by the complementarity of our economies.
- Aside from our cooperation in hydro power development, we shall find ways to gain further from sharing of development experience, investment in joint ventures and transfer of knowledge and technology as we transit toward an ICT enabled knowledge society.
- DPT shall seek India's support in providing training and upgrading the employability and productivity of our youth in their public and private training institutions even as we develop our own.
- On the security front, DPT believes in the indispensability of close coordination and cooperation for our mutual peace and security.

We shall continue to play a leading role in the global deliberations on the post MDG - 2015 development agenda. In this regard, we will persist with our advocacy for the world to adopt a GNH inspired holistic and sustainable development paradigm that acknowledges the wellbeing of all life forms and human happiness as the purpose and meaning of development.





CONCLUSION



Making promises is easy. It is the delivery that is hard. Harder still is the process by which the promises are delivered in a democracy. Rule of law must prevail and decision making entails long and cumbersome consultative processes in order that transparency and accountability are not sacrificed at the altar of quick and efficient delivery.

The role of the electorate at election time is profoundly powerful. It is at this time that the people exercise their sacred right and duty to pass their verdict on the performance of the government they elected and to choose the representatives and party upon whom they wish to place their trust and the responsibility of serving them for the next five years. There are new parties that are vying for the privilege and honour to serve, among which we are one.

Druk Phuensum Tshogpa takes this opportunity to offer its heartfelt gratitude to the people of Bhutan for the historic honour of serving them for the last five years. We have done the best that we can.

Our aspiration is to continue to serve. We have presented in these preceding pages what we know and understand are the hopes and aspirations of the people and the needs of the country in a world that is challenged by a host of threats. We have listed the challenges as well as the opportunities. These range from the domestic to global and cover the familiar as well as the new and emerging issues. While not specifically addressing the global issues, the principles, goals and strategies contained in the manifesto are influenced by the effects of climate change, depletion of natural resources, economic downturn, social dislocation, escalating conflicts, and failure of governance

across the world. We are, after all, part of the larger world and are not entirely immune to what others suffer.

We have submitted in this manifesto how we shall strive to fulfil the hopes of our people and the needs of the nation. We have made pledges and have established, during our first term in government, how parties that are elected must be and can be held accountable for each of the promises they make. Bearing this in mind, we have been responsible in making promises. But as we stated during the last elections, if governments promise to deliver only what is easy and possible, then who will do what seems impossible but necessary? We have therefore, been courageous as well in our pledges in this manifesto. The world began changing for the worse in recent years even as we began flourishing. Fulfilling what we are committing to in such an environment will be more difficult. But with the guidance of His Majesty the King, the protection of our Guardian Deities, and the collective merit of our people, we are confident that we will succeed.

We hope the pages of this manifesto have received your kind perusal and that our thoughts and strategies to fulfill your aspirations help you make your choice.

Tashi Delek!



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IN PURSUIT OF GROSS NATIONAL HAPPINESS

