

EIGHTH FIVE YEAR PLAN MID-TERM REVIEW REPORT

(July 1997-December 1999)



**PLANNING COMISSION
ROYAL GOVERNMENT OF BHUTAN
THIMPHU**

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AKNOWLEDGEMENT

The Planning Commission Secretariat would like to express its deep gratitude to H.E Lyonpo Sangye Ngedup, Head of the Government and Chairman of the Planning Commission for chairing the Mid-term Review of the 8th Five Year Plan. His Excellency's gracious presence in the meeting has enabled the meeting to take many important policy decisions which will ensure a smooth implementation of the remaining two and half years of the Plan.

The Planning Secretariat would also like to express its gratefulness to the Council of Ministers and the Members of the Planning Commission for their guidance and valuable contributions during the meetings.

The line ministries and departments have also contributed tremendously with their impressive MTR report preparation and commendable presentations of their sector's achievement and policy issues. Their continued support and cooperation has been invaluable.

PREFACE

The Five Year Plans form an important guiding framework for Bhutan's socio-economic development. Accordingly, the Royal Government had attached great importance to the review of the Five Year Plans and instituted Mid Term Review as an important exercise to assess the progress of the plan activities and to provide remedial measures to the constraints and problems faced during implementation.

The Mid Term Review of the 8th Five Year Plan was of particular significance since several important events took place during the first two years of the plan. The devolution of power from the throne to the elected members of the Council of Ministers represent a land mark in Bhutan's socio-political system which has far reaching affect in the development planning process.

The restructuring exercise, which was launched to enhance greater accountability, efficiency and transparency in the civil service, was yet another notable events that will provide an immense potential to reinforce our efforts in development planning.

The Mid Term Review of the 8th Five Year Plan was held from 17th through 24th February 2000. The Review was chaired by His Excellency Lyonpo Sangay Ngedup, Head of the Government and Chairman, Planning Commission, and was attended by members of the Council of Ministers, members of the Planning Commission and other sectoral Ministries. The attendance level was remarkable.

The Review covered six Ministries, three Commissions, one Management Institute, and two Corporations, based on consensus from the Planning Commission and endorsement from the CCM.

Financial Institutes were not included in the Review due to time constraints. Separate meetings shall be convened with the Financial Institutions by the Planning Commission Secretariat sometime at a later date.

The Review while taking stock of the progress achieved focussed on the problems and constraints effecting the sectors in implementing

the plan activities and the key policy issues requiring redirection and change.

The total 8th plan outlay for the entire sector is Nu. 30,000 million. Plan outlay for the sectors reviewed was Nu. 26,222.350 million. Expenditure delivery during the past two and half years was Nu. 10,246.860 million representing about 39% of the total plan outlay. The low expenditure delivery is primarily due to start up time taken for the major donor assisted programmes. Most projects have come on line and we expect the expenditure delivery level to pick up from the third year of the plan.

There was no clear-cut indication of the likely resource gap that might exist. However, from the resource position reported by the Ministry of Finance, it was noted that about Nu. 6,594.54 million cash disbursement has been received against a total resource commitment of Nu. 21,471.905 million as of December 1999.

From the presentation made by the sectors, it emerged that resource gaps are likely to occur in power, telecommunications, roads, HRD, and in the project tied programs under GOI particularly in the RNR, education and health sector.

It may therefore be necessary to revise the sector outlay and the physical targets based on resource position after the Mid-term Review.

Executive Summary

The total outlay for the 8th Five-Year Plan is Nu. 30,000 m. The plan programmes were designed to support the collective pursuit of Gross National Happiness and address key issues related to nation building. Achieving National Self Reliance, ensuring sustainable growth, strengthening national security, preservation and promotion of cultural and traditional values, promoting regionally balanced development, improving quality of life, human resource development, decentralization, and privatization and private sector development were the key policy objectives for the 8th Plan. Investment in essential social services is balanced by investment in economic sectors to increase GDP, personal incomes, and government revenue.

Economic Performance

The period under review (July 1997 – December 1999) recorded real GDP growth averaging 5 - 6 percent per annum, which is on track to achieve the 8th plan goal of 6.5 percent. Agriculture continues to dominate the country's economic activities and accounted for almost 37 percent of GDP. The industrial sector including electricity accounted for about 22 percent of real GDP in 1999.

Rising imports of new power plants and related higher service payments dominated the external trade in 1998/99. The overall trade deficit in 1998/99 was about 16 percent of GDP against 6 percent during 1997/98. The trade balance re-bounced to a deficit situation with India after experiencing trade surplus for the last three consecutive fiscal years. With further deficits in services transfer payments, the current account deficit widened to about 28 percent of GDP.

The review recorded very satisfactory fiscal performance with domestic revenue exceeding current expenditure. Total domestic revenue for the period 1997-98 was Nu.6,583.45 m against total current expenditure of Nu.6,077 m. While tax revenue is growing steadily, non-tax revenue still represents larger share of total tax revenue.

The increase in domestic revenue was brought by the improved tax collection and administrative mechanism coupled with the enhancement in export power tariff. Chukha, Department of Power and Telecommunications continue to dominate the tax revenue arena, while tourism is also emerging as an important source of hard currency earning. The revised revenue projection of Nu.18,673 million though substantial, is likely to be offset by corresponding increase in current expenditure for new establishment following the restructuring exercise of the government to enhance efficiency, good governance, accountability and transparency.

Quality of life and basic social services

With an estimated population growth of 3.1%, Health Sector has launched aggressive population management and control programmes. Most global health goals have been

achieved with 90% of the population having access to basic health services. Traditional afflictions and diseases such as leprosy continue to decline, polio has been eradicated and malaria is under control. However, health services are constrained by resources as well as shortage of health professionals. Unless these are addressed the quality of the service will suffer. Access to safe drinking water is estimated at 58% and 80% for rural and urban areas respectively.

Urbanization and related issues is an emerging area of concern needing to be addressed in earnest. Two of the biggest towns, Thimphu and Phuentsholing face an acute shortage of low and middle-income housing. One of the significant achievements during the period under review is the establishment of the Department of Urban Development and Housing which is mandated to plan, design, develop and provide urban infrastructure service and manage the municipal affairs of growing townships in the country. Department of Urban Development and Housing has so far completed revising plans for Thimphu and Phuntsholing. It will take up the plan for another 10 towns during the remaining period of the 8th plan. Public Housing Scheme shall commence soon at Chang-Jiji for which investment amounting to Nu.35 m has already been allocated.

Along with health, access to education constitutes the cornerstone of any efforts aimed at helping improve the quality of life. During the review period, the enrolment at primary education grew by 9% while at the post primary level the growth averaged at 40%. While gross enrolment at primary level is estimated to have reached 72%, many of the children now continue well beyond class VI and in a theoretical sense, the basic education level is now extended to class VIII. However, enrolment expansion and up-gradation of schools have not been matched by adequate resources both in terms of teachers and facilities as well as financial resources. This has affected the learning environment impinging on the overall quality of education. This is a fundamental issue, which needs to be addressed in earnest. Related to this, is the issue related to employment of a growing number of school graduates.

Infrastructure development and communication

A road network over 3,635.87 km (including 551.63 km of forest roads), spans the length and breadth of the country which translates to roughly 6 km per 1000 people. The main 8th Plan programme aimed at construction of 213 km of roads and on qualitative improvement of the existing network. However delays in project approvals and financing have affected the achievements. With increased traffic on the road both for movement of passengers and freight, safety on the road has become an emergent issue. The Road Surface Transport Authority was established in 1997 to help streamline and improve the quality of transport system and to enforce transport regulations. While it is too early to assess the impact of the RSTA's programmes in improving the quality as well as safety on the roads, substantial progress has been noted in the area of institutional building within the organization to help it to carry out its broad mandate.

One of the significant developments within the civil aviation is the completion of the new Air Terminal building at Paro and the river training works along the airport. However, the lack of an all weather airport continues to be a major issue for the sector.

Considerable achievement has been made in helping expand and improve the telecommunication network. With the completion of the phase IV western region project in 1999, all the 20 dzongkhags headquarters have been connected with the latest state of the art digital communication technology. The launching of the National TV programme and linking up to the Internet in 1999 are major landmarks in the history of this country. The establishment of Bhutan Telecom Authority is yet another significant move to rationalise, promote and regulate the growth of this sector to help provide efficient quality services to the population at large.

Privatisation

Privatisation and private enterprises have generally shown a very slow growth although a number of significant initiatives have been made both on the policy fronts and programme area.

Within the Roads sector, national contractors have executed 36% of the road works for the period under review. However, resource base as well as lack of technically qualified people impeded the growth of the private sector in the Road sector.

The Agriculture sector has also made important initiatives in facilitating the participation of private sector in agriculture seed and seedling production, formation of co-operatives and groups such a potato growers and milk co-operatives. The establishment of a Marketing Section within the Agriculture Ministry is also expected to enhance this process by providing advice to both consumers and producers.

On the sector reform programmes, the initiative to convert Bhutan Post into a corporate venture was noted as one of the success cases. With corporatization, Bhutan Post has not only improved services but with new forward-looking management and initiatives have now started to make profits.

A plan for the corporatization of the Division of Power by the year 2002 has also been launched. All preparatory works such as formulation of Electricity Acts, Hydropower Development, Policy framework on foreign investment, development of commercial accounting system have been started during the last two and half years. The Telecommunication Sector has been corporatized and will be de-linked from the Ministry of Communication by July 2000 to effectively function as a corporation.

The Education Sector has been encouraging more private secondary schools but so far the response has been weak and during the plan under review, only one private secondary school was approved for establishment. Furthermore while Nu. 370.75 m, which constitutes 25% of the HRD masterplan, was allocated for the private sector, only 16% out of this have been utilized.

Environment

All infrastructure developments continue to be undertaken within strict parameters of conservation of Bhutan's rich biological resources. Bhutan has over 72% of its area under forest coverage. During the plan period the capacity to manage the nation's network of protected areas has further been enhanced with the help of a number of donor funded projects under RNR as well as through intervention of the National Environmental Commission. The challenge for Bhutan is in finding a middle path, which while retaining the pristine environment is able to make judicious use of its abundant natural resources.

Sustainability and self- sufficiency

Apart from the prudent policy adopted by the Finance Ministry and the RCSC to keep down the level of recurrent spending and to keep the civil service numbers down to required minimal level, a number of sectoral initiatives have been made to bring about long term sustainability of important services. Four Trust Funds have been instituted (Environment, Health, Culture & Youth) which will help sustain the support for quality services to these programmes. Initiatives have also been taken to also broaden the tax base particularly through the introduction of Personal Income Tax.

Institutional Building and Human Resource Development

One of the most important achievements related to the institutional building capacity is the restructuring exercise carried out by the government in October 1999. This helped to frame a structure as well as articulate a process of governance and bureaucracy suited to carry out the functions of development effectively and efficiently. Three new organizations have already been established as part of this scheme- the National Employment Board, the Department of Information Technology and the Department of Legal Affairs. Furthermore, all sectors are at present carrying out internal restructuring to meet the new organizational mandates and processes.

However, human resources constraint is still a key issue affecting the implementation of many of the projects. The HRD master plan executed by the RCSC faced major funding gap. In addition, the problems of finding suitable candidates as well as placement impeded the effective implementation of this programme. On the other hand, a large number of short-term courses were executed outside of the master plan through the various project-tied funds. In-country training related to the development of skills in technical and vocational skills continued to receive much attention. An ADB project to upgrade the infrastructure and equipment at the Royal Bhutan Polytechnic was completed during the plan period. Furthermore, the National Technical Training Authority was established in 1998 to help coordinate the development and promote the development of skills training programme in the country.

Decentralization and Community participation

While communities are actively involved in development works such as constructing feeder roads, schools and health clinics, further decentralization was pursued by many sectors at the policy level as a means of bringing out greater accountability and efficiency in the delivery of services. However, the lack of adequate human resource has affected the quality of this programme. The recent restructuring exercise is expected to make an important impact in filling the existing human resource gap and giving vitality to this programme. The lack of capacity at the grass root level has also emerged as a major bottleneck and this was partly addressed by the Ministry of Home Affairs, which organised a number of workshops for the Gups and community leaders during the period under review. In addition some initiatives were taken by the Agriculture Ministry through the enactment of Co-operative Act which will help communities to play a more proactive role in their own development.

Preservation and Promotion of Cultural and Traditional Values

The efforts of the schools and education institutions in promoting cultural and traditional values is complemented by the works of the National Commission for Cultural Affairs. During the period under review, the Commission has initiated the verification and recording of the artefacts in the lhakangs. It has also completed documentation on the Mask dances in Bhutan. Renovation of lhakangs, providing cultural orientation to graduates and organizing cultural meets and festivals are other activities organized by the NCCA. The institution of a second Rigney at Trashiyangtse for Zorig Chuesum and the restructuring of the Semtokha Rigney to the Institute of Language and Cultural Studies are other programme initiatives taken by the Education Department and the NNTA.

General conclusions

It is estimated that the overall achievement rate for two and half years of the plan for the sectors reviewed is only about 39 percent of the target. The main problems faced by the sectors have been the procedural delays in finalizing the projects as well as releases of funds. Lack of adequate and qualified human resources to undertake the tasks was reported as another issue that cut across most sectors. This calls for concerted policy review on a wide front including distribution, management and training of human resources.

The MTR brought to the fore other general policy issues which will help guide the development of future plans. In particular, there is a concern to address quality issues for most services, whether be it Education, Health, Infrastructure or Agricultural extensions. The problem related to a lack of long term master plan was also noted particularly in sectors like Education, Roads and Civil aviation.

Lack of co-ordination seems to be another endemic issue. An example cited was the need for RNR to work much more closely with rural credit schemes. Another recommendation

was the need for different sectors to work together in providing security to important infrastructures while still another relates to the need to articulate the role of the different sectors in mobilization of funds.

Clearer guidelines and policy and legal frameworks also need to be put in place to meet the emergent needs of globalization, privatization and technological advances. Policy conflicts across sectors such as Education and Agriculture, economic growth and environment also need to be resolved. Institutional strengthening of some of the organizations, employment generation and privatization of more public services have been identified as areas requiring more focus and concerted efforts.

The MTR also provided an opportunity to reflect on the planning process itself. The suitability of the present planning process as well as project based planning system was both put forth as requiring review. Most importantly, the review facilitated close examination of different sector policies and programmes, and prompted the meeting to make realistic and considered recommendations most of which were endorsed. It was agreed that these recommendations should be effectively followed-up by the organizations concerned.

All these will lead to a recast of the sectoral plan targets as well as re-prioritisation in the targets and focus of the sectoral plans. Some specific policies will also be the focus of review to help give new direction to current programmes and future plans.

1. MINISTRY OF FINANCE (MOF)

1.1 PLAN OUTLAY AND EXPENDITURE

The total 8th Plan outlay for the Ministry of Finance is Nu.5901.300 m and total expenditure as of December 1999 is Nu. 1799.285 m which represents about 30% of its plan outlay.

1.2 OBJECTIVES AND STRATEGIES

The key objectives of the Ministry of Finance are to generate sufficient internal revenue to cover recurrent costs, to ensure efficient and effective expenditure and financing policies to maintain budget deficit at a sustainable level, to coordinate and mobilize external assistance, and to manage the national debt prudently.

The strategies adopted are: sound fiscal policies based on equity and fairness as well as efficiency, exercising prudent public expenditure policies and adopting a judicious Aid Policy.

1.3 PLAN PERFORMANCE AND ACHIEVEMENTS

1.3.1 Domestic Revenue

The revenue generated for the fiscal year 1997-98 and 1998-99 was Nu.3,036 m and Nu. 3,547 m while the recurrent expenditure for the same period was Nu.2,904 m and 3,173 m, a percentage coverage of 105% and 112% respectively. On average, tax revenue contributed about 43.7%, while non-tax revenue accounted for 56% of the total revenue collected during two years of the plan period.

The projected current cost for the 8th plan including estimated cost of new establishments following the restructuring exercise is estimated at Nu.18,674 m while revenue projection was Nu.18,673 m. The increased collection in domestic revenue can be attributed to power tariff revisions, institutional capacity strengthening, broadening of tax base and improvements in the tax collection mechanisms.

The tax legislation has been drafted with the incorporation of all the changes made to the 1992 Tax Policy, Business Income Tax (BIT), Corporate Income Tax (CIT). The completed Tax Legislation is to be submitted to the National Assembly for endorsement in June 2000. The Tax Manual is already being implemented since 1998, and the revision of tariffs and simplification of rules and procedures is ready for submission to the CCM.

The introduction of new taxes such as the Personal Income Tax (PIT) to widen the tax base will be submitted for endorsement during the 78th session of the National Assembly.

In the area of Systems Automation, all the RRCOs have been net-worked, and the Tax Management Information System and the Revenue Accounts System have been computerized. The automation of Customs System has also begun and is expected to be completed within the year 2000.

1.3.2 Expenditure

The 8th plan target to maintain the budget deficit at a sustainable 1% of the GDP has been achieved for the first two years of plan through strict control and elimination of wasteful expenditure.

The revised 8th plan comprised of a current outlay of Nu.16,077 m, and a capital outlay of Nu.13,923 m. Highlighting the significant achievement in the current expenditure aspect during the two fiscal years 1997-98 and 1998-99, donor funding for current expenditure averaged only around 6.5% as compared to 9.5% during the 7th plan. This is a clear indication of the government's ability to finance recurrent costs out of domestic revenue.

The projected current cost for the 8th plan, including estimated cost of new establishments following the restructuring exercise, is likely to reach Nu. 18,674 m against the original current outlay of Nu.16, 077 m, hence highlighting the need to revise the plan outlay to Nu.32,597 m, representing an increase of 8.7%. For capital expenditure, donors' share of the total capital cost during the period under review was 55.5% from the projected 80%, mainly due to improved domestic revenue generation and increase in program grant from the GOI.

As planned, the first phase of the computerization of the Government Accounting System has been completed, and it is currently being tested in the Thimphu Dzongkhag and the Ministry of Health and Education. The revision of the 1998 Financial and Budget Manual, and the preparation of an Account Manual has started from January 2000 and is expected to be ready by the next financial year.

1.3.3 Aid Policies & Debt Management

With regard to resource mobilization and debt management, to the extent possible aid has been mobilized in the form of grants. The total aid committed during the 6th Round Table Meeting (RTM) was Nu. 21,471.905, representing about 72% of the total resources required for the 8th plan. By the end of 1999, only Nu. 6,594.54 m has been mobilized comprising of Nu. 5,474.844 m as grants (83%) and Nu.1,119.696 m as soft term loans (17%).

It was reported that in the areas where it has been absolutely necessary, highly concessional loans have been availed. The loans have been subjected to rigorous analysis and are being utilized mainly for economic and industrial sectors.

A total of 36 loans have been availed since the first CHPC loan in 1974, and as of December 1999, the total debt to be repaid was Nu.6,744.804 m. The debt service ratio for both convertible currency(29.6%) and rupee (3.5%) is however, favorable.

To enhance national execution of programmes and projects the National Execution Manual has been implemented. A multi-year rolling expenditure along with a two-year rolling budget is proposed to be introduced to provide an effective link between planning and budgeting processes as well as support aid mobilization activities. The ministry has also planned to adopt a programme approach after the end of the present aid cycle.

1.4 ISSUES AND RECOMMENDATIONS

1.4.1 Revenue

The importance of launching the Personal Income Tax (PIT) as a key strategy to broaden the tax base with equity and fairness was highlighted during the review. Accordingly, the meeting recommended that the proposal of PIT be reviewed by May 2000 and submitted to the CCM for consideration. The meeting further noted that tax legislation should precede launching of the PIT, and recommended that the draft legislation should be finalized and submitted to the National Assembly in June 2000.

Tax as an incentive to stimulate investment and growth was discussed at length. The meeting recommended that a Multi-Sectoral Group, comprising of representatives from the MOF, National Employment Board, MOA, NEC, RMA, and MTI should prepare and present a report to the Planning Commission for further submission to the CCM. The MTI was instructed to spear-head the exercise.

1.4.2 Expenditure

The meeting expressed concern on the high expenditure figures for Personnel Emolument especially considering the small size of the civil service. It was recommended that the RCSC and MOF should work together and set a suitable paradigm for submission to the CCM for further review.

The proposal of introducing a two-year rolling budget was endorsed to provide a mechanism to correct the existing coordination lapse between the five-year plan and the annual budget, and to facilitate resource mobilization. It was recommended that the proposal be introduced by the financial year 2001 to 2002.

1.4.3 Resource Gap

The meeting recommended the need to revise plan outlays and adjust programme size based on resources mobilized.

1.4.3 External Resource Mobilization

While recognizing the importance of aid mobilization, the meeting however, recommended that mobilization exercises should be carried out cost effectively by using the Embassies abroad wherever possible.

Further, the need to clearly delineate the roles and responsibilities of the MOF, MFA and PCS in resource mobilization activities was also recommended.

1.4.4 Privatization

Since promotion of private sector participation constitutes one of the key objectives of the 8th plan, the meeting recommended the MOF to draw up a work program and identify public sectors viable for private sector participation for submission to CCM.

The establishment of the National Pension Scheme and the institution of the National Pension Board as a statutory body were reported as being under progress. The meeting welcomed the initiative to launch the National Pension Scheme and recommended that the Board should be instituted by July 2000, to manage the fund on sound commercial principles.

The ministry raised the issue of further enhancing the quality as well as the quantity of financial service personnel. The meeting recommended that the MOF together with the RCSC should look into the possibilities of securing HRD funding for financial service personnel.

1.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No.	Issues	Decision/Recommendations	Follow-up Action by:
1.	Launching of PIT as a key strategy to broaden tax base	The proposal of PIT to be reviewed and submitted to CCM by May 2000. Tax legislation to be finalized and submitted to National Assembly by June 2000.	Ministry of Finance.
2.	Tax as an incentive to stimulate investment and growth.	Recommended formation of Multi-Sectoral Group comprising of MOF, NEB, MOA, NEC, RMA and MTI to study and present a report on the issue to the Planning Commission for further submission to the CCM.	MTI to spear-head.
3.	Introduction of a two-year rolling budget	Recommended introduction of the two-year rolling budget from the financial year 2001-2002.	Ministry of Finance
4.	Privatization of Public Services	Identification of public services viable for privatization to be carried out.	Ministry of Finance
5.	Resource gap	Meeting recommended the revision of plan outlays and adjustment of programme size.	MOF & PCS in consultation with sectors.
6.	External Resource mobilization	Roles & responsibilities of the MOF, MFA & PCS to be clearly defined with regard to resource mobilization. Resource mobilization should be cost-effectively carried out by using embassies abroad.	Ministry of Finance to coordinate.
8.	Establishment of National Pension Scheme	Endorsed the establishment of the National Pension Scheme, and recommended that the Board should be instituted by July 2000 to manage fund on sound commercial principles.	Ministry of Finance
9.	HRD for National Finance Service	Required HRD funding to be secured.	RCSC & MOF

2. ROYAL CIVIL SERVICE COMMISSION (RCSC)

2.1 PLAN OUTLAY AND EXPENDITURE

The total Plan outlay for the Royal Civil Service Commission (RCSC) is Nu. 1524.95 m and expenditure till the end of December, 1999 was Nu. 936.12 m which represents an achievement of about 61 %. The Human Resource Development Master Plan has a total of 7633 slots planned at a cost of Nu. 1484.18 m out of which Nu.1089.74 m have been secured indicating a funding gap of Nu. 394.44 m (27%).

2.2 OBJECTIVES

- Complement the national economic development programs by providing trained manpower ;
- Strengthen the institutional capacity for Human Resource Management in both private & public sectors ;
- Elaborate the cadre system to make manpower planning and career counseling more rational ;
- Strengthen manpower planning to avoid mismatch between job vacancies and skills ;
- Consolidate and further strengthen in-country training programs ; and
- Give special emphasis on technical and vocational training.

2.3 STRATEGIES

- A manpower planning system will be developed that has the capacity to advise the RGOB on personnel requirements and ensure that manpower needs and resources required are integrated into the overall economic planning process ;
- HRD program will be based on a Master Plan prepared on an integrated and inter-sectoral basis, taking into account the present and future needs for skilled manpower ;
- Training to meet the needs of the private sector will be emphasized, shortfall in labour availability identified and labour legislation proposed.

2.4 PLAN PERFORMANCE AND ACHIEVEMENTS

Confirming to the policy of maintaining a small, compact and efficient civil service, the number of civil servants has increased only by 0.9% from 13,566 in 1996 to 13,695 by the end of 1999. Nationals accounted for 92% of the civil service in 1999 as compared to 89 % in 1996. The number of expatriates in the civil service has reduced from 11% to 8% and women constituted 19% of the civil service by the end of 1999, a modest increase from 17% in 1996.

Out of a total 2,011 fellowships to be implemented during the 8th FYP, 2,242 slots (112%) have been availed as of December, 1999. 3,497 in-country training slots (62%)

have been implemented out of a total of 5,622 slots planned during the Plan. However, out of the total achievement in fellowship implementation, the majority of the training implemented were project-tied short-term courses, mostly not part of the master plan, thereby skewing the over-all training achievement in the last two and half years of the plan. Lack of funds for long-term fellowships and placements in good educational institutes for undergraduates also constituted major problems.

A total amount of Nu. 370.75 m constituting almost 25 % of the of over-all 8th Plan HRD Masterplan has been allotted for the human resource development in the private sector. However, the expenditure till the end of December 1999, was only Nu. 59.79 m (16%).

With regard to manpower planning, two labour force surveys were conducted and a handbook on “Higher Education and Training Opportunities for school Leavers” published and distributed. In this context, the meeting commented that the RCSC’s focus should be on the overall human resources development and planning rather than on piecemeal training programmes related to projects.

2.5 ISSUES AND RECOMMENDATIONS

2.5.1 Shortage of funds for long term fellowships

The RCSC appraised the meeting on the funding gap of Nu. 394.44 m, especially for long term fellowships. The Ministry of Finance was instructed to mobilize the funding gap on a priority basis to enable RCSC to implement the HRD activities as planned.

2.5.2 General shortage of qualified manpower across the sectors

While acknowledging the general shortage of qualified manpower across the sectors, the meeting recommended the need for the sectors to re-examine their manpower since the issue of effective deployment and management of the existing manpower seem to stand as a crucial bottleneck.

2.5.3 Strengthening Dzongkhag Capacity in line with the decentralization policy

The meeting was informed that the exercise to strengthen dzongkhag capacity following the recommendation and report of the Special task Force was not yet complete but that the over-all scenario looked promising. It was however, noted that the achievement of the qualitative target would be far more difficult than fulfilling the quantitative target.

It was agreed that together with capacity strengthening, the enhancement of effective management and deployment of available human resources should also be reviewed in the dzongkhags.

2.5.4 Generation of employment for the educated youth

The meeting agreed the generation of employment for the educated youth to be a major human resources management concern. It was recommended that the RCSC should take appropriate measures to address the issue. The effective coordination between the National Employment Board, National Technical Training Authority and the RCSC was highlighted as being essential in this respect to avoid duplication of efforts. It was agreed that the RCSC would look into the issue when the NTTA and NEB became fully operational. The need for the NTTA and the NEB to look into improving HRD achievements in the private sector which have not been very satisfactory in the past was also agreed.

In 1997-99, out of a total of 163 technical graduates, only 11 were employed by the private sector. It was highlighted that the private sector requirements were mostly for senior and more experienced technical personnel. Another reason for the low retention of technical graduates in the private sector was indicated as the affordability issue because of the grades and higher salary levels of technical graduates in the civil service. The RCSC was asked to look into the issue.

2.5.5 Establishment of a scholarship fund

The meeting noted with great concern that the intake capacity of the schools were diminishing with the rapid growth in the number of students graduating each year at all levels, and majority of the students were denied the access to study. The meeting, therefore, recommended that some loan facility, either from financial institutes or from a scholarship fund should be extended to the needy children for studies to be repaid upon gaining employment.

It was decided that RCSC should undertake an in-depth study on establishing such a scholarship fund in coordination with relevant sectors and submit a report to the government.

The meeting commended the RCSC on the satisfactory level of mid-term plan achievement and reiterated that HRD and human resource management is and will continue to remain a high priority for the RGOB.

2.6 LIST OF ISSUES AND RECOMMENDATIONS

Sl.#	Issues	Recommendations	Follow –up action
1.	Shortages of funds mainly for long term fellowships. (Nu.394.44 m)	Sectors to review their HRD requirements in line with emerging needs and MoF to mobilize HRD fund on priority basis.	RCSC & ACDM, MoF
2.	General shortage of qualified manpower across the sectors:	Sectors to re-examine their manpower need to bring about effective deployment and management of human resources.	All Sectors
3.	Strengthening of the Dzongkhag Capacity	Capacity building of Dzongkhag staff to be taken up on a priority basis. Management and deployment of available human resources in the dzongkhags to be reviewed.	RCSC
4.	Generation of employment for educated youth	Appropriate measures to be identified and implemented to address the issue	To be coordinated by the RCSC *
5.	Coordination between RCSC, National Employment Board, and NTTA	Effective coordination to be ensured to avoid duplication of efforts when the two newly established agencies became fully operational.	Follow-up by the RCSC
6.	Employment and retention of technical graduates in the private sector	Pertinent issues such as private sector requirement mostly for senior and experienced candidates, affordability constraints due to higher government salary levels etc. were to be reviewed.	RCSC
7.	Establishment of a Scholarship fund	In-depth study to be carried out by RCSC in coordination with relevant sectors	RCSC

* The RCSC to be responsible for coordinating the exercise of identifying appropriate measures related to the issue of employment generation for the educated youth till the time the recently established National Employment Board becomes fully operational.

3. MINISTRY OF COMMUNICATIONS (MOC)

3.1 DEPARTMENT OF ROADS (DOR)

3.1.1 PLAN OUTLAY AND EXPENDITURE

The 8th Plan outlay for the Roads Department is Nu. 2997.37 m and the total expenditure as of December, 1999 was Nu. 829.787 m, highlighting an achievement of 28%.

3.1.2 MAIN OBJECTIVES AND STRATEGIES

The main objectives of the Roads Department during the 8th Plan are i) to develop a sustainable and regionally balanced road network which is safe, convenient and economical to use and ii) to consolidate and improve the existing road infrastructure and develop road construction and maintenance capabilities in the private sector.

3.1.3 PLAN PERFORMANCE AND ACHIEVEMENTS

3.1.3.1 New Road Construction

Against a target of 231 km of new road constructions, 45 km were completed. The construction of 122 km of roads are programmed under the World Bank, Rural Access Project for which the credit is expected to come into effect by March, 2000.

3.1.3.2 Road Resurfacing

Under the resurfacing programme the achievement as of December, 1999 is 257 km against the plan target of 1417 km since the damages caused during the monsoons have seriously affected the progress of resurfacing activities. The remaining resurfacing programme activities are to be taken up under the second phase of the ADB assisted East-West Highway Project. Resurfacing programmes were mostly carried out through private sector companies.

3.1.3.3 Road Improvements

Road improvement works carried out in various areas along the east-west highway have attributed significantly to road safety and comfort as well as reduced travel time and cost. The realignment of some road sections on the east-west highway appears crucial and proposals have been included under the Contingency Plan submitted to the government.

3.1.3.4 Bridge Construction

One bridge was completed at Bhurkhola and one was completed outside the plan at Taktsang in Paro against the total of 22 bridges targeted for the 8th Plan. The feasibility

studies for five bridges were completed and are presently under process for Japanese assistance. One bridge at Wangdue under Helvetas assistance is expected to be implemented by 2001 and four bridges are currently under construction in the south.

Against the target of 56 Suspension Bridges, 30 bridges have been completed, out of which 7 were constructed outside the plan. Against the target of 500 km of Mule Track construction, 128 km has been achieved.

The Mechanical Cell is operating under current account arrangement, which has enhanced the efficiency in equipment utilization and rate of return on the machinery. The proposal to convert the mechanical cell to a corporate venture is yet to be confirmed.

3.1.4 ISSUES AND RECOMMENDATIONS

3.1.4.1 Low achievement of 8th Plan targets

The meeting expressed concern on the low physical achievements against the targets set for the 8th Plan and questioned the usefulness retaining the targets. The MOC gave its assurance that the 8th Plan targets will be fully achieved with the World Bank and ADB assistance.

3.1.4.2 Road Sector Master Plan

In view of the prevailing ad-hoc and piece-meal construction of roads, the meeting stressed the importance of long term planning and the need for road activities to be brought under the purview of a National Road Master Plan. It was emphasized that the approach must be multi-sectoral, technology and other necessary options must be taken into account to establish a strong, efficient and economic transport system. It was felt that although technical assistance has to be availed, the internal 'spade work' and vision must be ours.

The meeting recommended that the basic approach to road construction in the future should change from touching many pockets to connecting crucial point to point and that this should be incorporated in the road master plan. It was also recommended that the re-alignment and improvement works proposed on the East-West Highway should be addressed in the Road Master Plan.

The MOC informed the meeting that the National Road Master Plan is likely to be funded by the ADB and this may come through by the year 2000 or 2001.

3.1.4.3 Dedicated Percentage of Budget

With regard to the importance of the road infrastructure for the country's overall socio-economic development, the MOC stressed that a dedicated percentage of the budget should be given for the Roads Department.

3.1.4.4 Site Accommodations for Road Field Staff

The Roads Department reported that the road site accommodations, taken over from Dantak while taking over the 886 km of roads network, were in dilapidated condition and there was an acute shortage of accommodations for the road field engineers and staff. It was submitted that adequate accommodations had to be constructed. The department proposed that initially 32 site accommodations should be constructed and mentioned that the cost was estimated at Nu. 4.8 m.

The meeting noted the importance of looking into the welfare aspect of the staff at the road site and the need to provide proper accommodations with access to health and education facilities. The Ministry of Finance remarked that since the construction of accommodations is likely to spread over several years and the annual requirement should be minimal, it could be discussed during the annual budget discussions.

3.1.4.5 Private Sector Development in Road Activities

The Roads Department informed the meeting that about 442 national private contractors implemented over 36% of the road works in the first half of the 8th Plan. However, he also mentioned that the private contractors were impeded with the lack of resource base, and professional and technically qualified/skilled manpower. The meeting felt that the Roads Department should consider adopting a systematic approach for private sector development and develop capacity for specialization in certain road activities. It was also stressed that the scarcity of equipment and machinery was a major problem faced by the private sector and they should have access to machinery as and when required. The meeting recommended that private sector participation in road activities should be continued with added zeal and vigor.

3.1.4.6 Taking-over of Important Highways

The meeting recommended that the Roads Department should consider taking over the Thimphu-Paro-Phuntsholing highway from Project Dantak. The MOC submitted that a proposal to this effect has been submitted for government approval and decision on the matter was still awaited.

3.1.4.7 Corporatization of the Mechanical Cell

The meeting recommended that since the efficiency of road works depended largely on machinery, the Mechanical Cell should be transformed into a business venture. It was therefore, suggested that the MOC should submit a proposal for corporatization of the Mechanical Cell on a priority basis to the Planning Commission for further submission to the CCM.

3.1.4.8 Maintenance of Equipment

The Roads Department appraised the meeting that equipment/machinery permanently placed at critical landslide/snowbound areas sometimes have to remain idle for long periods without earning hire charges, which affected the Mechanical Cell's revenue earnings as it is operated on a self-sustaining basis. The Ministry of Finance remarked that it was not possible to keep budget provisions for the idle equipment. The meeting noted that corporatization would solve and clear many of the problems presently faced by the Mechanical Cell however, the Ministry of Finance was requested to look into the matter.

3.1.4.9 Replacement of old Equipment and Machinery

The Roads Department informed the meeting that the machinery and equipment belonging to the Department were now very old and required replacing. The Ministry of Finance commented that funds would have to be sought either from the Japanese Government or the ADB. The meeting requested Ministry of Finance to look into the matter.

3.1.4.10 Lack of Technical Manpower

The shortage of technical manpower was reported as having a serious affect on the implementation of plan activities and carrying out of road maintenance responsibilities which has increased with the taking over of roads from Dantak. It was highlighted that 15 additional Jr. Engineers and 25 Equipment Operators were required on an urgent basis.

The meeting recommended the importance of providing the required manpower and directed the Roads Department to discuss the issue with the RCSC.

3.1.4.11 Sorchen By-pass Road

The Roads Department informed that a study for the construction of a 1.9 km new road bypass at Sorchen has been carried out jointly by the Dantak and Department of Roads and the cost was estimated at Nu. 58.7 m. The department stressed that high priority should be given to this road as the Pasakha–Manitar road is scheduled for completion only by 2002. He also briefed the meeting that the matter has to be referred to the Defense Ministry, GOI as Dantak has already submitted the estimates to them. The meeting recommended the Ministry of Finance to pursue the matter with GOI.

3.1.4.12 Construction of the Tala-Raidak Road

To facilitate the transport of machinery and equipment from Phuntsholing through a shorter route, the Department had constructed a road from Tala to Peping near Bhutan Ghat but could not go further due to the presence of a Tiger Reserve on the Indian

territory. The need to consult the GOI on the issue was stressed and the Ministry of Foreign Affairs asked to include the issue in the next round of talks with GOI.

3.1.4.13 Installation of Communication Facilities along the Highway

The installation of communication facilities at strategic locations along the highway was highlighted as a high priority to facilitate uninterrupted and necessary communications during road-blocks or accidental mishaps. The meeting recommended that the Roads Department should consult with the Division of Telecommunications, the Road Safety and Transport Authority and the Ministry of Finance on this issue.

The meeting thanked the MOC for their excellent presentation and expressed satisfaction over the assurances given to fulfill the new road and resurfacing targets within the 8th Plan period.

3.1.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Recommendations/Decisions	Follow-up Action by
1.	Need for a National Road Master Plan.	MOC and PC to review and ensure that the National Road Sector Master Plan accommodates all the issues such as standards, specifications, etc..	MOC and PC
2.	Need for site accommodations and access to social services for road field staff.	Roads Department was instructed to include budget for these activities in the next financial year for consideration by the MOF.	Roads Department and Department of Budget and Accounts, MOF.
3.	Private Sector Development in Road Activities.	The Roads Department to adopt a systematic approach to support the development and specialization of private sector for different road activities.	Department of Roads.
4.	Corporatization of the Mechanical Cell	Mechanical Cell should submit proposal for corporatization to the PC for further submission to the CCM.	Mechanical Cell and MOC
5.	Replacement of old and out-dated equipment.	MOF to consider replacement of equipment if funding is available.	MOC and MOF
6.	Sorchen Bypass Road	Matter to be taken up with GOI.	MOF
7.	Construction of Tala-Raidak road	Roads Department to submit the issue during the next round of talks with India.	Roads Department and Ministry of Foreign Affairs.
8.	Installation of Communications facilities along the highway.	Roads Dept. to consult with the Deptt. of Telecom, RSTA and MOF	Roads Department, Department of Telecom, RSTA and MOF

3.2 DEPARTMENT OF URBAN DEVELOPMENT & HOUSING

3.2.1 PLAN OUTLAY AND EXPENDITURE

The 8th Plan outlay for the Department of Urban Development and Housing (DUDH) is Nu. 1881.33 m and total expenditure as of December 1999 is Nu. 363.59 m which is an achievement of 19%.

3.2.2 OBJECTIVES AND STRATEGIES

The main objectives of the Department are to achieve a balanced and sustainable development of human settlements, provision of basic infrastructure and provision of affordable and climatically suitable housing for all. The strategies adopted were the reviewing of existing Master Plans of City/Municipal Corporations, development of regional growth centers and district towns, and formulation of legal framework and housing policy.

3.2.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The main focus of urban sector programmes was on urban planning and development, urban management, urban infrastructure, housing, and institutional capacity building. The low achievement in the implementation of urban activities can be attributed to the lengthy and time-consuming preliminary studies and ground works such as identification of town sites, acquisition of land, etc.

The Thimphu and Phuntsholing towns by virtue of their size, potential and level of economic activities claimed the major share of activities and input for development, urban management and infrastructure provision. The reviews of Urban Plans for Thimphu and Phuntsholing have been completed and the preparation of plans for ten other towns will be taken up under World Bank assistance.

Notable donors in the urban sector include DANIDA (Nu. 467 m), ADB (Nu. 402 m), UNDP/UNCHS (Nu. 24 m), World Bank (Nu. 549 m) and GOI (Nu. 39 m), their assistance totaling to an amount of Nu. 1481 m. The project towns are namely Thimphu, Phuntsholing, Mongar, Khuruthang, Paro, Wangdue, Trongsa, Zhemgang, Tingtibi, Bumthang, Trashigang, Rangjung, Duksum and Lhuentse. The GIS installation and digitization of map for Thimphu has been completed. In order to enhance the management capacity, Bhutan Building Rules, Water and Sanitation rules, Codes and Manuals are already in place and other rules such as Urban Land Administration Act, Land Pooling, Town and Country Planning Act and revision of the Building Rules are in the final stages of completion.

The shortage of housing in urban areas is emerging as a major issue and through a study carried out under ADB assistance it was revealed that by the year 2013, there will

be a requirement of 10,182 and 4,265 dwelling units in Thimphu and Phuntsholing respectively. As a modest attempt to resolve the housing shortage and also to achieve the 8th Plan objective of providing affordable housing for all, a provision of Nu. 35 m was made to construct public housing in Chang Jiji at Thimphu. Plans are also underway to construct housing units in Pemaling at Phuntsholing. Land acquisition at Chang Jiji is in progress, the housing designs have been approved and the construction is scheduled to start by March 2000. The housing studies for the other towns have already been initiated.

The Department continues to strengthen its own capacities and those of the Municipalities in urban planning, land use management and mapping, and other urban management activities.

3.2.4 ISSUES AND RECOMMENDATIONS

3.2.4.1 Shortage of Specialized Manpower

The meeting noted that there is a severe shortage of specialists such as architects, structural engineers, urban designers, and surveyors in the urban and housing departments and the department was unable to recruit these specialists within the pay and other remuneration rates prescribed by the RCSC. Considering the importance of urban and housing development responsibilities entrusted to the sector, the meeting recommended that the MOC be permitted to recruit these specialists at the market prices that normally exist for these professionals.

3.2.4.2 Long Term Lease of Land to Private Builders

It was highlighted that one of the key issues confronting housing development was unavailability of land. It was proposed that in order to facilitate private sector involvement, leasing of land on a long-term basis be considered. It was recommended that the DUDH should submit a proposal to the Planning Commission for further submission to the CCM.

3.2.4.3 Housing Tenure

The DUDH also proposed that the government should consider the selling of dwelling units to the tenants in order to save future maintenance costs. The meeting agreed that public housing should be available on rent or private ownership, and a proposal should be submitted to the CCM for consideration.

3.2.4.4 General Shortage of Housing

The meeting acknowledged that general shortage of housing was a major problem emerging in major towns and even in the dzongkhags. A study and prioritization of the housing situation in the dzongkhags was recommended. The need for the government to provide funding for dzongkhags like Gasa, Lhuntse, Dagana, and Trashiyangtse where civil servants face critical shortage of housing was also stressed.

3.2.4.5 Need to carry out Urban Population Survey

The DUDH submitted that a policy directive is required as to whether the municipalities are permitted to conduct their own population survey as per the Municipal Act, 1999. It was underlined that proper urban management, planning and provision of urban facilities depended a lot on the accuracy and reliability of urban population figures. The meeting recommended to allow Municipal Corporations to undertake urban population surveys in accordance with the Bhutan Municipal Act, 1999, in consultation with the Ministry of Home Affairs.

3.2.4.6 Identification of Site for Wangdue Town

The DUDH raised the issue that although World Bank funding for the township was forthcoming, the identification of site has still not been finalized since the selected location would entail displacing of 21 households. The Department stressed that it was crucial to finalize the site to enable the government to make the investments.

The meeting endorsed the proposed location for Wangdue town. With regard to donor sensitivity on the displacement of 21 households, it was felt that since there is a government policy that these people are allotted plots in the new town, the concern for displaced households should not arise.

3.2.5 LIST OF 6 ISSUES AND RECOMMENDATIONS/DECISIONS FOR FOLLOW UP ACTION

SI No	Issues	Decision/Recommendations	Follow-up by
1.	Shortage of technical manpower	The recruitment of an architect, a structural engineer, a surveyor and an urban designer by the MOC at the prevailing market prices was endorsed.	DUDH
2.	Long term lease of land to private builders	The DUDH was instructed to prepare a proposal and submit to the Planning Commission for further submission to the CCM.	DUDH
3.	Housing tenure	Public housing should be available on rent or private ownership. Proposal to be submitted to CCM for consideration.	DUDH
4.	General shortage of housing	Housing situation in the dzongkhags should be studied and the government to provide funds for those dzongkhags (Gasa, Dagana, T/yangtse & Lhuentse) facing critical housing shortages for civil servants.	DUDH & MOF
5.	Need to carry out urban population survey	Urban population surveys to be permitted in consultation with Home Ministry. DUDH to submit a proposal for consideration by the CCM.	DUDH
6.	Identification of site for Wangdue town	Recommended that the proposed location of site should be endorsed. The Ministry of Agriculture to provide land to farmers preferring cultivable land.	DUDH and Ministry of Agriculture.

3.3 DEPARTMENT OF TELECOMMUNICATIONS (DOT)

3.3.1 PLAN OUTLAY AND EXPENDITURE

The 8th Plan outlay for the Telecommunications Department is Nu. 1219.360 m and total expenditure as of December 1999 had reached Nu. 474.088 m indicating an achievement of 39%.

3.3.2 OBJECTIVES AND STRATEGIES

The key objectives of the Telecom Department are to continue the provision of efficient, reliable and accessible telecommunications services on a sustainable basis, and to complete the digital network in the western region and to provide rural telecommunications services in all the geogs. The strategies adopted are to transform the Department into a state-owned corporation; enhance capacity utilization and penetration levels; and create an enabling environment for private sector participation.

3.3.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The department has achieved the objective set for the first half of the 8th Plan with the completion of the Domestic Telecom Network in the Western Region project under the Japanese Grant Aid scheme in 1999. The total installed capacity has increased to 11,831 lines from 9,126 lines at the end of the 7th plan, the number of exchanges/DRMASS has also increased to 36 exchanges with a total capacity of 14,332 lines.

The under-utilization of capacity was underlined as one of the key issues in the past. A strategy to increase utilization of capacity and the reduction by over 30% of international tariffs to a number of countries has been adopted. Adoption of technologies such as DRMASS, MARR, VHF, and DMR has resulted in increasing the tele-density to 2.2%.

Substantial achievement has also been made with regard to unplanned programmes such as the DAMA network to back-up the present terrestrial micro-wave network, DRMASS network for Tala Hydro Project, and internet services for the entire country. The DRMASS network for Basochu is scheduled for completion by March 2000.

The key program focus for the remaining plan period would be the provision of rural telecommunications to all the geogs. While the field survey for rural communications has been completed and formulation of the Rural Telecommunications Master Plan is underway, there is a major funding constraint for the rural telecommunications program itself. This activity is a high capital investment venture having very minimal returns but it is beneficial socially for the overall/equitable progress of the country. The provision of telecommunication facilities along the highways would

also be carried out with the implementation of the Rural Telecommunications Network Project.

3.3.4 ISSUES AND RECOMMENDATIONS

3.3.4.1 Lack of Funding for the Rural Telecommunications Network Project

The department highlighted that the main issue for the remaining plan period was the lack of funding for implementing the Rural Telecommunications Network Project. It was stressed that this was a priority programme to be taken up by the government in order to stem rural-urban migration and also for security purposes. In the event that grants are not available and soft loans have to be availed, the department presented three options namely, i) Suppliers Credit for which the government has to stand as guarantee and the repayment period is 5 years; ii) Yen Credit which has to be processed through the government and the loan repayment period is 40 years; and iii) the World Bank soft loan. The meeting was informed that the cost estimate for this project was US\$ 31.35 m, covering 90 % of all villages and involving the installation of 5,500 lines.

The meeting expressed concern on the high cost estimates and remarked that the 90% coverage of villages exceeded the coverage mentioned in the 8th Plan target, which is to provide 10 telephones in each geog, and the estimated cost was US\$ 12 m.

The meeting recommended that in view of the resource constraints, the Department should re-prioritize the provision of rural telecommunications services and submit the proposal to the Ministry of Finance for resource mobilization. The Ministry of Finance agreed to explore funding possibilities through JICA.

3.3.4.2 Security of Telecommunication Infrastructure

Concerns with regard to the security of telecommunication infrastructure were raised. It was proposed that, as the posting of 12 guards at each site is deemed necessary, cost sharing among relevant organizations should be considered because the department is not able to bear the cost alone.

The meeting agreed that though the security threat was definitely there, it was not possible to provide full-proof protection for all infrastructure services and that the posting of 12 armed guards at each site was not realistic. It was recommended that the high-risk sites should be prioritized and security facilities provided through collective national efforts.

3.3.5 LIST OF ISSUES AND RECOMMENDATIONS/DECISION

Sl. No	Issues	Decisions/Recommendations	Follow up by
1.	Lack of funding for the Rural Telecom Network Project.	Prioritise the provision of rural telecommunications services and submit to Ministry of Finance for fund mobilisation.	Department of Telecom and Ministry of Finance.
2.	Security of Telecom infrastructure.	The high-risk sites to be prioritised and security facilities provided through collective national efforts.	Department of Telecommunications

3.4 DEPARTMENT OF CIVIL AVIATION

3.4.1 PLAN OUTLAY AND EXPENDITURE

The 8th Plan outlay for the Department of Civil Aviation (DCA) is Nu. 50.210 m and total expenditure as of December 1999 reached Nu. 55.349 m which, is an achievement of 110%. Expenditure for planned activities was Nu. 44.304 m and unplanned activities was Nu. 11.045 m.

3.4.2 OBJECTIVES AND STRATEGIES

The key objectives of the DCA are to improve the legal and regulatory provisions governing the operation of Druk Air and to establish an appropriate system of airport security. While continuing to expand and upgrade the quality of air services, the possibility of introducing domestic air services would also be thoroughly explored.

3.4.3 PLAN PERFORMANCE AND ACHIEVEMENTS

Paro Airport Development and River Training works were two major activities implemented by the Civil Aviation during the first half of the 8th Plan. Improved facilities and services are being provided with the completion of the new terminal complex and reliability of air services has been enhanced with flight calibration of DVOR/DME. Considerable progress has also been achieved in human resource development in the areas of air-worthiness, operation, airport management, accident prevention, civil management and aviation security management which has increased the efficiency in regulatory and airport management services.

Under the unplanned activities the purchase of security equipment, CCTV and meteorological equipment has contributed in improving the safety of air services.

3.4.4 ISSUES AND RECOMMENDATIONS

3.4.4.1 Need for an All-weather Alternate Airport

The department highlighted that since Paro Airport is not an all-weather airport, the Druk Air suffers heavy losses during bad weather. The meeting was informed that feasibility studies had been undertaken under the UNDP Nordic Trust Fund to explore the possibility of an alternate airport. Out of the three sites, Khotokha was identified as the most suitable and a proposal was accordingly submitted to CCM for consideration.

3.4.4.2 Preparation of a Civil Aviation Master Plan

The DCA outlined that one of the main objectives highlighted for the 8th Plan was the preparation of a Civil Aviation Master Plan with GOI support. It was, however, reported that no indication of fund release has been received so far. It was stated that the

absence of a Civil Aviation Master Plan restricts the ability of the sector to plan for future air services such as, exploring the possibility of introducing domestic air services.

The meeting instructed the DCA to prepare and submit a preliminary report on the Master Plan to the CCM for review.

3.4.4.3 Demolishing of the Old Air-Traffic Building

The Department submitted that the old Air-Traffic Control Building should be demolished in order to allow more space and safety to the aircraft. The Chairman informed the meeting that the matter is under active discussion with the government of India.

3.4.4.4 Airforce Staff to vacate the Airport Premises

The Department highlighted that the airport staff quarters should be vacated for the Civil Aviation security and fire section staff who need to be close at hand in times of emergency. The meeting endorsed the proposal but cautioned that the families of these staff should not be accommodated at the airport premises.

3.4.4.5 Need for Human Resource Development

The DCA stressed that special consideration should be given to the training and capability building of the Department of Civil Aviation as it is the regulatory body looking after the safety of air services. The meeting recommended that the Department should prepare an HRD Master Plan in order to strengthen and enhance the regulatory and management capabilities of the Civil Aviation staff.

3.4.4.6 Shortage of Trained Security Personnel

The Department informed the meeting on the shortage of trained and experienced security personnel and the absence of an institution identified for training the security staff. The meeting recommended that training for the security personnel should be pursued in consideration of the risks involved.

3.4.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Decisions/Recommendations	Follow up by
1.	Need for an all-weather alternate airport	The proposal is under review at the CCM	MOC
2.	Preparation of a Civil Aviation Master Plan	The DCA to prepare a preliminary report on the Master Plan.	DCA
3.	Living quarters in the airport premises to be vacated for Civil Aviation fire section and security staff.	It was endorsed, however, the department was instructed not to allow the families of the security and fire personnel to live on the airport premises.	DCA
4.	Need for HRD	An HRD Master Plan to be prepared by the Department.	DCA
5.	Shortage of trained security personnel	Training for the security personnel to be seriously pursued.	DCA

3.5 ROAD SAFETY AND TRANSPORT AUTHORITY (RSTA)

3.5.1 PLAN OUTLAY AND EXPENDITURE

The 8th Plan outlay for the Road Safety and Transport Authority was Nu. 46.90 m and total expenditure as of December 1999 was Nu. 25.851 m, which is an achievement of 55%.

3.5.2 OBJECTIVES AND STRATEGIES

The mandate for the sector both as a regulator and a promoter is to ensure safe, reliable and accessible transport services particularly, public passenger transport.

3.5.3 PLAN PERFORMANCE AND ACHIEVEMENTS

With the combination of a legal framework and other regulatory mechanisms, the safety aspect of the public passenger transport has been considerably enhanced. This is evident from the fact that despite considerable increase in the number of vehicles over the past two years, the number of accidents has decreased quite dramatically from 147 in 1996 to 87 in 1999. The enactment of the Road Safety and Transport Act accompanied by Regulations concerning Licensing, Registration and Traffic Management together with closer cooperation in enforcing the Act and the Regulations has also provided crucial impetus in enhancing safety. The strengthening of the four existing Regional Offices and establishment of 8 Base Offices have also further enhanced the safety aspect.

A more organized system of departure and arrival schedules on the routes allotted particularly for passenger buses has proved very useful. Improvements in the management of public passenger transport companies through persuasion and penalties have greatly enhanced the reliability aspect.

Accessibility to transport facilities has also been improved and government buses allotted on subsidy to private operators are covering the remote and non-viable/non-profitable routes. Metering systems were also launched to ensure consistency in the taxi fare structure.

As a recently established revenue generating organization, the RSTA has generated a revenue of Nu. 47 m.

3.5.4 ISSUES AND RECOMMENDATIONS

3.5.4.1 RSTA with Separate Administration and Finance Sections

The RSTA mentioned that as an implementing as well as a revenue generating organization, the RSTA should function as an autonomous body under the MOC with a separate Administration and Finance Section in order to improve financial management and efficiency.

The meeting felt that as the matter is related to administrative conveniences the problem could be discussed and resolved between the RSTA and the Ministry of Communications.

3.5.4.2 Clear Directives on Import of Vehicles

The meeting was informed that responsibilities for regulation of motor vehicles and related activities are with RSTA, while the import of vehicles and emission regulation lies with the Ministry of Finance and National Environment Commission (NEC) respectively. The RSTA proposed that provided with the necessary manpower and funding the RSTA would have no problems in taking over emission regulations from the NEC. With regard to import of vehicles, clear directives were sought on permitted vehicle types/models and authorized agencies for import of vehicles.

The meeting recommended that regarding the import of vehicles, the type/model and agencies authorized to import, the RSTA should discuss with the Ministry of Finance.

3.5.4.3 Transport Agreement between Governments of India and Bhutan

The Chairman informed the meeting that discussions are underway at the CCM with regard to the Transport Agreement between India and Bhutan.

3.5.4.4 Public Passenger Transport on Non-profitable routes

The meeting recommended that the Government subsidy on purchase of buses for the remote and non-profitable routes should continue in order to improve accessibility and efficiency in the transport system.

3.5.5 ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Decisions/Recommendations	Follow up by
1.	Transport agreement with India	Under discussions at the CCM.	Ministry of Communications.
2.	Government subsidy for non-profitable routes	Government to continue provision of subsidy for remote and non-profitable routes.	RSTA and Ministry of Finance.

3.6 BHUTAN TELECOMMUNICATIONS AUTHORITY (BTA)

The Division of Telecommunications is in the process of transforming itself into a state-owned corporation, with the ultimate goal of privatization, which warrants the establishment of an effective regulator. The Bhutan Telecommunications Authority was established in January, 2000 with the aim of providing a proper regulatory framework that promotes the development and standardization of telecommunications infrastructure.

3.6.1 KEY OBJECTIVES

The key objectives of the Bhutan Telecommunications Authority are to undertake telecommunications sector reform, ensure adherence to telecommunications policies of the government, manage and license the radio frequency spectrum and provide equitable, affordable and reliable telecommunications services in the country.

3.6.2 PERFORMANCE AND ACHIEVEMENTS

The programmes and activities during the first half of the 8th plan were geared towards establishing regulatory capacity in the BTA. To provide a basis for the telecommunications sector reform, the Bhutan Telecommunications Act, 1999 was enacted by the 77th Session of the National Assembly. To streamline the use of radio communication apparatus and systems and planned use of frequencies, the Bhutan National Radio Regulations 1999 was prepared.

The Authority has also been successful in strengthening the Radio Spectrum Management Unit through the establishment of Fixed and Mobile Radio Frequency Monitoring Stations. Training has also been carried out for the corporatization of the Department of Telecommunications.

3.6.3 ISSUES

The Bhutan Telecommunications Authority raised one of its major constraints as being a government agency responsible for regulating another government agency under the umbrella of the same ministry. It was recommended that the Authority should be an autonomous body.

3.6.4 ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Decisions/Recommendations	Follow up by
1.	Bhutan Telecommunications Authority	To be an autonomous body.	BTA & MOC

4. NATIONAL ENVIRONMENT COMMISSION

4.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP outlay for the National Environment Commission is Nu.92.880 m and the expenditure incurred in the last one and half years as of December 1999 was Nu. 33.454 m, representing about 36 % of the plan outlay. The National Environment Commission reported that the actual 8th plan program implementation began only in July 1998 as the first phase of the Danish assistance to the environment sector concluded only in the first year of the 8th FYP.

4.2 OBJECTIVES AND STRATEGIES

The Commission's long term objective is to ensure "sustainable economic development with emphasis on the preservation of environment and maintenance of environmental services". Towards supporting these long-term objectives, the 8th plan objectives are to:

- Serve as an environmental adviser to the government on matters related to sustainable development;
- Implement a National Environmental Strategy that will serve as a policy guide for the country;
- Institutionalize Environmental Impact Assessments as an integral part of project planning;
- Enhance knowledge, understanding and awareness of environmental issues and sustainability in Bhutanese society;
- Ensure the sustainable use of natural resources in Bhutan;
- Maintain the biological diversity of Bhutan;
- Maintain essential ecological processes and life support systems and;
- Meet the obligations of international conventions, to which Bhutan is a signatory.

The immediate objectives are to:

- establish environmental baseline data and enhance environmental information;
- strengthen the institutional and professional capacity of NEC secretariat;
- establish environmental regulation and ensure that sectoral environmental impact assessment guidelines are implemented;
- enhance environmental awareness at all levels of the society and;
- support environmental infrastructure and equipment to improve waste management and pollution control.

4.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The NEC released its main policy document entitled the National Environment Strategy in 1998. Further, the Environmental Assessment Process has been institutionalised with the completion and approval of the Sectoral Environmental Assessment Guidelines for six sectors namely forestry, mining and minerals, industries, hydropower, transmission lines, and highways and roads. Environmental clearance has been made mandatory for all new industrial and development projects, however, one of the main drawbacks have been the lack of legal documents. The environmental Act has been drafted and will be submitted for approval during the forth-coming session of the National Assembly. The NEC has reviewed and given clearance for 28 projects since the Environmental Assessment process was institutionalized.

A survey on air pollution in Thimphu was conducted in 1999 which identified vehicular emission and burning of stoves as major sources contributing to deteriorating air quality in Thimphu. A vehicular emission-testing program was initiated in collaboration with the Road Safety and Transport Authority for developing emission standards for Bhutan. A sawdust stove program was also initiated in collaboration with the Ministry of Trade and Industry and the Forestry Service Division.

With projects and programs such as the Environment Sector Program Support (ESPS), Capacity 21 and Greenhouse Gas Projects, environmental awareness has been created at various levels. A study on the existing industries was conducted to assess the environmental impacts and recommend remedial measures. This comprehensive study was the first of its kind and over 50 industries were covered.

The NEC secretariat is in the process of strengthening the capacity of its human resources. Three officials have completed their long-term training while two officials are under going Masters training. Further, two more officials have been identified for scholarships under the Bhutan Trust Fund.

4.4 ISSUES AND RECOMMENDATIONS

4.4.1 Need to incorporate environmental concerns at the planning stage

There was a general consensus that while environmental concerns should be accorded due credit, economic development must also be given priority. Since Bhutan is at an early stage of development, the meeting agreed that a “middle-path” approach should be adopted taking into account over-all trade-offs between environmental concerns and basic development needs.

The meeting asked the NEC to undertake an analysis of the sectors as well as their own capacity to meet the numerous environmental challenges. It was agreed that the NEC should also look into developing human resource capabilities of the various ministries/organizations, including the brown sector, since environmental policies and concerns were cross-sectoral.

4.4.2 Need for better coordination to implement Environmental Assessment (E.A) Process.

The NEC felt that there was a need for better coordination to effectively implement the EA process.

The meeting commended NEC's commitment towards environmental conservation. It was however, noted that clear delineation of roles between the NEC and line agencies was required. It was suggested that NEC should only monitor while implementation responsibilities should lie with relevant ministries or agencies.

The meeting recommended that a workshop/meeting be conducted by NEC to define clear-cut roles and responsibilities for NEC vis-à-vis other ministries and agencies.

4.4.3 Need for clear directives regarding environment management plans and use of cleaner technologies for new and old industries

The meeting was appraised that as most industries were set up before NEC was established, many failed to meet the basic environmental requirements. Further, since the cost of installing emission reduction equipment was often too expensive, the concern was raised that it jeopardize the economic viability of projects. The NEC, therefore, felt that there was a need to issue clear directives regarding the steps that can be taken to bring new and old industries to comply with environment standards.

The meeting noted the issue and directed NEC to take necessary action.

4.4.4 Quarrying License Issuing Authority

The NEC appraised the meeting that at present licenses for quarrying activities were issued by both the Department of Geology and Mines and the Department of Forest. Therefore, the need to decide on a central agency for issuing licenses for quarrying activities in the country was highlighted.

The meeting recommended that this issue should be resolved between the MTI, MoA and NEC and the decision be reported to the CCM.

4.4.5 Eco-friendly Road Construction

The NEC appraised the meeting that in view of RGoB's policy of conserving our pristine environment, the practice of building Eco-friendly roads is imperative. However, this is not strictly practiced due to urgent socio-economic needs and budgetary constraints. The NEC recommended that henceforth planning and budgeting for new roads should be strictly based on the codes of best practice for Eco-friendly roads right from the planning stage to avoid or minimize environmental hazards at a later stage.

The meeting noted that 100% compliance of codes of best practice for eco-friendly road construction as required by the NEC was not realistic considering the rugged terrain, limited resources, and lack of appropriate technology. It was recommended that a proper analysis be carried out to find the middle path and strike a balance between limited resources and environmental concerns.

4.4.6 Urban Environment Management

The NEC informed the meeting that due to the population growth rate, urban pollution and congestion was an emerging problem. The NECS was also developing guidelines for urban sector development in line with the need for proper planning and management of the urban sector.

The meeting noted that environmental issues were emerging quite rapidly in the urban areas and directed the NEC to mobilize investment for environmental measures in the urban sector.

4.4.7 Tseri Cultivation

A recent study on *tseri* identified that about 30% of the arable land was under *tseri* cultivation. It was reported that in some studies carried out by the NEC the practice of '*tseri*' cultivation and overgrazing are perceived threats to the country's rich natural resources. The meeting, however, noted that *tseri* practice on gentle slopes with longer fallow periods and appropriate land husbandry was not a threat to environment.

4.4.8 Strengthening the Credibility of the National Environment Commission Secretariat

The meeting commented that with the recruitment of adequate technical manpower; approval of the National Environment Act; and strengthening of the implementation and coordination mechanism it was expected that the NECS would be able to build their credibility among other sectors.

The meeting noted that the NEC's objectives and programs were very broad and general and instructed that NEC should rectify this.

The meeting noted the source of livelihood for about 85% of the country's population is subsistence agriculture. With only 7.8 % of the land available for cultivation and faced with pressure from an increasing population, Bhutan's natural resources was in imminent danger of over exploitation. The need to balance agriculture development and environmental conservation as stated in the National Environment Strategy was further stressed.

4.5 ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Recommendation	Follow-up action by
1.	Strengthening of capacity in carrying out environmental assessment process.	Need to build capacity not only for the NEC secretariat but also for the line ministries including the brown sector.	NEC
2.	Quarrying License issuing authority	To be decided between MoA and MTI and the report submitted to the CCM.	NEC
3.	Eco-friendly road construction	To do a proper analysis and find the middle path.	NEC
4.	Urban Environment Management	NEC was directed to mobilize investment for environmental measures in the urban sector.	NEC

5. RENEWABLE NATURAL RESOURCES

5.1 PLAN OUTLAY AND EXPENDITURE

The 8th plan outlay for the Ministry of Agriculture (MOA) is Nu. 3528.640 m and the total expenditure as of December 1999 was Nu. 1258.830 m which represent 35.67% of the sector's plan outlay. It was reported that delays in the finalization of dzongkhag plans and the operationalisation of donor assisted area-development projects were some of the reasons for the low level of achievement. While positive about the likely delivery of their plan targets in the remaining plan period, the MOA expressed deep concern with regard to the implementation of GOI funded RNR development activities in the southern dzongkhags for which funds have not been received.

5.2 OBJECTIVES AND STRATEGIES

The objectives of the RNR sector were:

- National Food Security;
- Conservation of Natural Resources; and
- Sustainable Economic Production and Enhancement of Rural Income.

Some of the key strategies adopted by the RNR sector were highlighted as:

- improvement in the planning base for the sector;
- ensuring an enabling regulatory framework;
- strengthening natural resources management; and
- introduction of improved technologies and promoting people's participation.

5.3 PLAN PERFORMANCE AND ACHIEVEMENTS

5.3.1 Policy and Planning Programs

A Policy and Legal Section has been set up to review/amend the existing and draft new Policies and Acts in the sector. Policy for Wood Pricing and Marketing has been enacted in 1999, and formulation of the policy on concession on timber for rural house construction, Livestock Acts & Bylaws, Acts for Pesticides, Seeds and NGOs are under progress. A Statistical Unit has been set up to co-ordinate and streamline collection, processing and dissemination of RNR related data after the mandate was transferred to MoA from the Central Statistical Organization (CSO).

5.3.2 Central Support Programs

The implementation of the land use classification system and land resources inventory works has made good progress. Land acquisition for government and industrial purposes, and land conversion from paddy-land to other forms of land use has also been monitored stringently. The Agriculture Marketing Section has become fully operational and Sunday market sheds were already constructed in various dzongkhags. The capacity in the use of GIS and remote sensing tools to generate maps and other publications on land were also developed during the plan period under review.

5.3.3 Human Resource Development Program

It was informed that at the end of 1995 there were only 142 graduates and 336 diploma holders out of a total of 2171 staff in the RNR sector. Over the last three years an additional 62 graduates, 203 NRTI graduates, and 101 forest guards from Bhutan Forest Institute has joined the sector. Further, 26 officials of the ministry has completed post-graduate studies and resumed services thereby greatly enhancing the human resources situation of the ministry.

5.3.4 Research Program

Four Regional Research Centres have been established with clear-cut national and regional mandates supported by an adequate number of researchers and support staff. Research activities in the three fields of agriculture, forestry and livestock has made good progress. Five new varieties of rice, two new varieties of maize and one variety of cucumbers were released. Fruit crop trials were also reported to have shown favorable results - sub-tropical apples and dwarf varieties of oranges were highlighted as some of the examples. In the livestock sector, the development of artificial insemination technology in mithun has been a major breakthrough.

5.3.5 Input Production and Supply Program

The MOA has also facilitated the participation of private sector in Agriculture seed and seedling production, formation of cooperatives and groups such as potato growers, milk cooperatives, etc.

5.3.6 Central Forestry Program

The inventorization of four Forest Management Units (FMU) - one each from Bumthang, Trongsa, Chukha and Dagana with a total area of 118,182 acres were reported as almost completed. All inventories were completed except at Dagana, which is also 40% completed. The Forest Resource Development Section has completed preparation of the management plans for 100,753 acres against the targeted 196,365 acres which constitutes about 51% achievement.

Out of a targeted twelve FMUs, ten FMUs were brought under implementation; 1044,364 nursery seedling were raised out of a targeted 421,6000 nursery seedling; and 1806 acres were brought under plantation achieving around 41% of the total target.

The management plans for the Royal Manas, Jigme Dorji, Black Mountain, Thrumshingla, and Bomdeling National Parks are being implemented. Total protected area is about 10,000 sq.km and an additional 3800 sq.km has been declared as biological corridors.

5.3.7 Dzongkhag Development Programs

More farmers have adopted new high yielding varieties of crops and improved practices such as the double cropping of rice. The cultivation of vegetables was also reported as being on the rise and the number of farmers taking up winter vegetable production to have increased substantially. Management of apple and mandarin orchards at the farmer's level has improved despite the threat from various pests and diseases. Paddy promotional program covered 3158 acres representing an achievement of almost 100%; maize promotional program covered 3014 acres, which indicated a 76% achievement; and 1866 acres for wheat, which was a 96% achievement.

In addition to construction and renovation of channels, other non-planned activities taken up included construction of feeder roads, water supply schemes, RNR buildings and water tanks. During this period, the constructions of about 14 km of new channels were completed against the target of 92 km. The sector had also renovated about 192 km against the target of 535 km of channels, which represents an achievement of 36%.

Horticultural development activities included mainly promotional programs of tree crops and vegetables, training of farmers, and development of post-harvest and marketing services. Horticulture seeds and seedlings worth Nu. 2.565 m was supplied to the farmers. This was reported as an increase of the area under horticulture crops by a total of about 744 acres.

In addition to the renovation of facilities and infrastructure of the breeding farms, the dzongkhag livestock development program has achieved a lot in the establishment of dairy, poultry and piggery backyard units, vaccination activities under the Animal Health Program; pasture improvement, etc. The release of AI technology using Mithun semen was also reported as being widely embraced by the farmers. A report of the recent nationwide survey by the NRTI students showed that the sale of livestock products, mostly butter and cheese, contributed to 22% of the cash income of farmers.

Dzongkhag forestry activities have included agro-forestry, community forestry and forest fire protection. Under the agro/private forestry activity, about 970,000 seedlings were supplied and about 316 acres were brought under community forestry against the target of 3323 acres.

The mobilisation of farmers into beneficiary groups and associations could not be pursued due to the absence of a legal instrument for registering them.

It was reported that the RNR Sector had fully decentralized its dzongkhag development programs including the management of staff, but this has not improved the delivery mechanism of its services. The need to enhance accountability on the part of the Dzongkhag administrations with regard to the use of technical staff and other resources was pointed out. The meeting also noted that the existing RNR extension staff in the geogs might not be adequate to cover all the scattered villages in the geog and hence the need to look into the possibility of strengthening the extension staff was highlighted.

5.4 ISSUES AND RECOMMENDATIONS

In addition to the issues listed below, the MOA also highlighted that factors such as inadequate capacity for input generation, isolated packaging of credit and technology, newly reoriented research system, shortage of manpower in the Forestry Sub-sector, lack of market infrastructures, etc. had hindered development in the sector.

5.4.1 Policy on National Food Security and Self-sufficiency

The sector expressed the misgiving that the policy to maintain broad self-sufficiency in food by offsetting food import costs with export earnings from cash crops is to some extent contradictory to the paddy-land conversion policy under the Land Act. The MOA was of the opinion that the paddy-land conversion policy was not based on land capability and comparative advantages but on land classification in the Thrams.

The meeting pointed out that the policy of national food security and self-sufficiency was not very clear. It was, therefore, decided that while the paddy-land conversion policy should be continued, the need to liberalise land use policy for other agricultural practices (eg. cultivation of cash crops) based on land capability and comparative advantages was to be reviewed. In the same context, the MOA was instructed to undertake a study to review the conversion of forestland into cultivable agriculture land, and the development of un-cultivable agricultural land into forestland.

On the issue of the policy itself, the meeting expressed doubts about the approach adopted by the RNR to measure food self-sufficiency through the calculation of broad food import and export figures. The meeting further remarked that 70% self-sufficiency in rice alone may not be the right indicator for measuring food self-sufficiency since it excludes other food grains grown within the country depending on the agro-ecological zones. Hence, it was noted that subsidies should not be only confined to rice but possibilities of subsidizing other equally important food grains grown by the farmers should also be explored.

The meeting, therefore, recommended that the multi-disciplinary Task Force should complete the exercise on national food security policy and report to CCM through the Planning Commission (PC). It was stressed that the task force should also accentuate on the three major aspects of self-sufficiency, self-reliance, and subsidisation of cereals other than rice.

5.4.2 Drawbacks of the present Target-Orientated Planning

The MOA pointed out that Dzongkhag plans were at present target driven rather than impact orientated. As a result, implementers were preoccupied with achieving the targets rather than being responsive to the requirement in the field and concerned with the effectiveness of an innovation or its impact.

In this context, the meeting noted that one of the main reasons for the low achievement of the sector could be the flaw in the design of its programs. The meeting commented that while the MOA had one of the largest number of donor assisted projects with substantial funds, the actual impact at the farm level was not at all satisfactory. It was further stressed that the RNR policies were broad and that the objectives were not always quantifiable. The weak RNR service delivery system and linkages between research, extension and planning, lack of effectiveness of extension services, were listed as some of the major drawbacks. The need to further decentralize some of the centrally executed RNR programs to the dzongkhags was also raised as a potential step towards enhancing performance in the sector.

The meeting decided that the MOA should take the concerns highlighted during the discussion into consideration during the preparation of the 9th FYP.

5.4.3 Religious Sentiments against Culling of Unproductive Animals

The MOA explained that strong religious sentiments against killing of animals and the social stigma attached to those engaged in the meat business was a major impediment for livestock development. The meeting decided that avenues other than those that contradict the religious sentiments of the people should be explored. Identification and adoption of measures towards the further enhancement of dairy and poultry production activities were cited as examples of potential avenues.

5.4.4 Shortage of Farm Labour

The shortage of labour was cited as a serious constraint in most of the dzongkhags by the sector. Rural-urban migration, dis-incentives for crop cultivation due to crop losses to pests and wild animals, etc. were emphasized as possible reasons for the shortage.

The meeting, however, noted that labour shortages would continue to be a major issue with the increasing pace of socio-economic development across all sectors. In fact, one of the members raised the concern that while the official figure for the population dependent on agriculture is 85%, a labor force survey carried out in the four eastern dzongkhags revealed that only 37% of the total labor force were engaged in agriculture activities.

The meeting recommended that the MOA should carry out a study on labour shortage situation which should also include a review of the education policy versus the labor policy, and commercialization of agriculture activities. The report was to be submitted to the CCM.

5.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Recommendations	Follow-up by
1.	Policy of National Food Security versus Policy of Wet-land conversion	<p>Policy of Paddy-land conversion to be continued but the liberalization of land use policy for other agricultural practices to be reviewed.</p> <p>Study to be undertaken by the Multi-disciplinary Task Force (MTF) taking into account:</p> <ul style="list-style-type: none"> - Food self reliance - food self sufficiency - subsidization of cereals other than rice <p>MOA was recommended to undertake a study to review the conversion of forest land into cultivable agriculture land, and the development of un-cultivable agricultural land into forest land</p>	<p>MOA & MOHA</p> <p>MTF (MOA)</p> <p>MOA</p>
2.	Drawbacks of the present target oriented planning	During the preparation of the 9 th FYP, the MOA to take into account factors like effective decentralization to the dzongkhags, improved definition of sector plan objectives, strengthened linkages between research, extension and planning, etc.	MOA
3.	Shortage of farm labour	Study to be conducted which should also include the review of education policy versus labour policy, and the commercialization of agriculture activities.	MOA

6. BHUTAN POSTS

Bhutan Post was corporatised in 1996. Although it is a commercial corporation it was included in the MTR to share the experience of transformation from a bureaucratically managed public enterprise to a competitive corporate enterprise.

6.1 PERFORMANCE AND ACHIEVEMENTS (CORPORATISATION EXPERIENCE)

Prior to corporatisation, the organization had operated under losses amounting to Nu. 10 m annually placing a significant drain on the government budget. Further, it had lacked strategic capital investment, suffered from excessive fixed cost, and the deteriorating standard of services failed to meet customer's demands. The document exchange market had also been lost to the private courier companies.

With corporatisation in 1997-98, the government budgetary support was withdrawn posing numerous difficulties and challenges to the newly formed corporation. The first strategy adopted was an open management style with 'survival' as the management theme, with a view to at least break-even and make the corporation financially viable.

In 1998, a Strategic Plan (1998-2002) was prepared for establishing a marketing unit at Headquarters to undertake market research, develop marketing policies and strategies and to actively engage in the marketing of postal services and products. Efforts were made to develop new products and services to meet the changing needs of the market and to diversify into new businesses. Subscription Post, EMS Money Order Services to India, Business Post, Cargo Post, Mail Order Post, Post Overnight Courier Services with India, Post Shops and Postal Transport Services (1997) were introduced.

As a result of the innovative marketing strategies and diversified services offered a modest profit of Nu. 1.5 crores was made in 1997, which is an indication that the corporation has transited from a loss-making public enterprise to a profitable business venture.

6.2 ISSUES AND RECOMMENDATIONS

6.2.1 Reconciling the dichotomy of Universal Postal Services and a Commercial Approach

Bhutan Post, being a corporation, had to adopt a commercial approach in its operations, while on the other hand, Universal Postal Services (UPS) meant meeting social obligations which are not financially attractive. Therefore, to assure the provision of UPS and at the same time to be commercially viable, the need to strictly enforce the provision for reserve services in accordance with the Bhutan Postal Corporation Act was emphasized. The meeting endorsed that the reserve services should be strictly enforced.

6.2.2 Creation of Addresses

The Bhutan Post stated that the creation of postal addresses was crucial for the development of postal services in the country and that postal addresses formed the basis for introducing the postal code system, conducting e-commerce, etc. It was proposed that technical assistance should be availed for the creation of postal addresses. This was fully endorsed by the meeting.

6.2.3 Electronic Counter Services & One-Stop Counters

The Bhutan Post informed the meeting that the introduction of electronic counter services would greatly enhance the efficiency of postal services and make it possible for Bhutan Post to provide One-Stop Counters. By establishing One-Stop Counters all the counter services being provided by various organizations would be combined greatly improving the efficiency and cost-effectiveness. Therefore, it was proposed that the government should transfer counter-related services to Bhutan Post.

The meeting recommended that the Bhutan Post should submit a proposal for the establishing of Electronic One-Stop Counters to the CCM for approval.

6.2.4 Forwarding and Clearing Agent at Calcutta and Customs House Agent's License at the Calcutta Port

It was proposed that the Bhutan Post as a consolidator and logistic services provider, should take over the clearing and forwarding functions at Calcutta from the Liaison and Transit Office (LTO), while the LTO could confine itself to regulatory and liaising activities. It was also submitted that the government should discuss with GOI on the issuance of a Customs House Agent's License at the Port of Calcutta and that Bhutan Post be allowed to operate (under the control of LTO) the "Open Space" and warehouse at the Mall Road, Calcutta.

The Ministry of Finance commented that they had no problems with the above proposal. The meeting instructed that Bhutan Post should prepare a proposal with proper justifications for submission to the CCM.

6.2.5 Strategic Capital Investment

Bhutan Post informed the meeting that government intervention is required for capital investments in construction of new Post Offices, Sorting Centers, rehabilitating of postal facilities, upgrading and expanding the present postal facilities and human resource development.

The meeting agreed that Government intervention may be necessary in mobilizing funds for capital invest and recommended Bhutan Post to discuss the matter with the MOF.

On the institutional capacity and human resource issue, the meeting felt that there is an urgent need to build up capacity at the junior staff level since most senior staff members have reached superannuation. The meeting therefore, recommended RCSC to accord priority for HRD for Bhutan Posts.

6.2.6 Take-over of City Bus Service

It was suggested that Bhutan Posts should consider taking over the city bus services in Thimphu. The Bhutan Posts however, felt that they needed time to study the situation.

6.2.7 Philatelic Standards

The meeting expressed concern on the decline of philatelic standards and directed Bhutan Posts to find ways of reviving and maintaining the standard that existed in the past.

6.3 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Decisions/Recommendations	Follow up by
1.	Provision of UPS & a commercial approach	Reserve services for the Bhutan Post should be strictly enforced.	Bhutan Post
2.	Need for Postal Addresses	The need for postal addresses was fully endorsed	Bhutan Post and Thimphu City Corporation
3.	Electronic Counter services and One-Stop Counter	Bhutan Post to draw up a proposal and submit to CCM	Bhutan Post
4.	Forwarding and Clearing Agent at Calcutta and Customs House Agents Licence	A proposal to be submitted to the CCM for consideration	Bhutan Post
5.	Institutional Capacity and Human Resource Development	Recommended RCSC to accord priority for HRD for Bhutan Posts.	RCSC
6.	Take over of City Bus services in Thimphu	A study on the situation to be carried out.	Bhutan Post
7.	Decline of philatelic standards	Bhutan Post to explore ways and methods of reviving the past standard.	Bhutan Post

7. MINISTRY OF HEALTH AND EDUCATION

I. PLAN OUTLAY AND EXPENDITURE

The total 8th Plan Outlay for the Ministry of Health and Education is Nu. 5564.30 m and the total expenditure was Nu.2,659.25 m at the time of review.

7.1 DEPARTMENT OF HEALTH

7.1.1 PLAN OBJECTIVES

The key focus in the 8th Plan was the intensification of population planning activities. The other main objectives were consolidation of infrastructure, promoting sustainability of health care system, human resource development and reviewing the Health-For- All Goals.

7.1.2 PLAN PERFORMANCE AND ACHIEVEMENTS

The district level physical implementation rate was 70.2% while financial achievement was 37.7%. However, it was reported that 23.5% of the expenditure was made on the non-planned and spillover activities thereby one-fifth of the attention was taken up by these unplanned activities affecting the implementation of planned activities.

The problem in financial and budgeting procedures was explained as the main reason for lower financial implementation rate compared to physical implementation.

In reproductive health program, besides general distribution of contraceptives and intensification of family planning activities, the public health education and awareness campaigns have been intensified by the Hon'ble Minister for Health and Education touring the remotest parts of the country to take this issue to the general public. It was further boosted by the assumption of goodwill ambassadorship of UNFPA by Her Majesty Ashi Sangay Choden Wangchuck. Thus according to administrative reports from the districts, the population growth rate has declined and contraceptive prevalence rate has increased to 37%.

Of the 51 BHUs planned, 40 BHUs are in different stages of completion, the construction of Health Headquarter Office and Trashigang Hospital are ready to be taken up and the Trongsa Hospital construction works has been tendered out. 73 ORCs out of the 130 proposed has been completed. Major cost escalations due to cost increase and inappropriate estimates have been source of the significant constraints to construction activities in the sector.

Since the transfer of Rural Water Supply Scheme (RWSS) to Health, targets were revised with fund commitment of Nu.235 m by DANIDA. The current coverage of rural water supply is about 58% and the plan target of 80% is expected to be fulfilled.

On the status of Health-For-All Goals, except for rural water supply, Bhutan has achieved the minimum targets for the 8 components of primary health care.

7.1.3 ISSUES AND RECOMMENDATIONS

7.1.3.1 Treatment Outside

The Department of Health highlighted the increasing cost incurred on referrals outside and its high financial implications on the government. Between the financial years 1994/95 and 1998/99, the cost of treatment outside had risen by more than three times and with the present trend of expenditure, it is estimated that it would cost Nu. 150 m by the year 2005.

The meeting while noting the increasing cost of treatment outside recommended that it should be continued until curative capacity in the country is fully developed.

7.1.3.2 Recurrent Cost related to Ambulance Services

The Department informed the meeting that many hospitals still did not have proper ambulances and even those ambulances in service were not in good condition resulting in high maintenance cost annually. The maintenance cost for ambulances incurred in the first two years of the plan was about Nu.10 m. It was highlighted that if ambulances could not be replaced as and when necessary, the recurrent cost burden on the government would increase significantly.

The meeting acknowledged the importance of ambulance services in the delivery of health services and referrals. However, it recommended that the shortages to a large extent should be met through improved management and utilization practices.

7.1.3.3 Revising Outlays/Plans

Noting that the resource position of plan programmes were clearer now for the sector, it was recommended that the capital works should be reviewed and revised according to resource availability.

7.1.3.4 Constructions

As the committed fund for constructions was almost exhausted and the possibility of securing new funds is not there, it was recommended that new constructions of BHUs and hospitals should be stopped for the rest of the plan period.

7.1.3.5 Upward Revision of Targets for RWSS

The transfer of the RWSS to Health Sector has significantly changed the sector's plan targets and outlay. It was suggested that changes should be made accordingly in the Plan Document.

7.1.3.6 Human Resource Development (HRD)

Highlighting the acute problem of human resource particularly in the specialized categories, it was submitted that the sector would not be able to meet the 8th plan target for human resource requirements in these categories. Therefore, it proposed that the HRD in the health sector should be reviewed urgently.

It was recommended that the sector should co-ordinate with the RCSC to rationalize the HRD needs of the health services.

7.1.3.7 Water Act

The meeting endorsed the proposal to formulate the Water Act to provide legal framework for supply of safe drinking water. However, the meeting advised that the Act should come under the umbrella of the Ministry of Agriculture's Water Act which, is already under progress.

7.1.3.8 Inner-city Clinics in Thimphu

Recognizing that there are un-reached groups of population even in urban areas, the meeting endorsed the proposal to open two inner-city clinics in Thimphu in the current plan to cater to such groups.

7.1.3.9 Sustainability

To promote sustainability in the health sector, efforts to establish a Trust Fund has progressed well and with the support of the ADB it is likely that the Fund will be operational soon. The meeting also endorsed the proposal to introduce user fees on selective health care system based on the principle of equity and access towards achieving long term sustainability.

7.1.3.10 Population Growth

The present strong focus on the present population control measures was noted by the meeting. It was felt that a National Population Policy should be drafted taking into consideration the pros and cons of population growth keeping in mind the future needs of the country. The draft Population policy document drafted by the Planning Commission Secretariat was to be reviewed and submitted to the Planning Commission for further submission to the CCM.

7.1.3.11 Curative Care & Diagnostic Capability

The meeting pointed out that the main focus of the Health Sector has so far been on the preventive care and tremendous progress has been made in this area. It was recommended that it was now necessary to also strengthen the curative and diagnostic capacity for timely treatment.

7.1.3.12 Consolidation and Improvement of Quality of Health Infrastructure

The meeting noted that the sector has made remarkable achievements in the expansion of health care facilities and recommended that there is now an urgent need to consolidate the existing facilities and focus on quality aspects from the 9th Plan onwards.

7.1.4 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No.	Issues	Decisions/Recommendations	Follow-up by
1.	Making the health care services sustainable & cost-effective	Introduce user fees on selective health services.	Department of Health
2.	Acute shortage of specialized doctors & technicians	Health Division to coordinate with RCSC to look into this issue	Department of Health & RCSC
3.	National Population Policy	National Population Policy to be drafted. The draft Population Policy of the Planning Commission Secretariat(PCS) to be reviewed.	Department of Health & PCS
4.	Need to strengthen the Curative aspects	Enhance the curative and diagnostic capability to further ensure timely and effective treatment	Department of Health
5.	Formulation of Water Act	The Act must be within the framework of the Water Act being presently drafted by Ministry of Agriculture	Department of Health & Ministry of Agriculture
6.	Consolidation and quality improvement of health facilities rather than expansion	9 th Plan to focus on consolidation of facilities and quality aspects	Department of Health

7.2 DEPARTMENT OF EDUCATION

7.2.1 OBJECTIVES AND STRATEGIES

The primary objectives of the 8th Plan are to: attain a minimum of 90% gross primary enrolment rate to meet the goals of Education-For-All by 2000, increase the basic education level from class VI to class VIII, improve the relevance and quality of education, make the education system sustainable and cost-effective, improve the technical and vocational education and enhance the literacy rate.

Major strategies of the sector are to: increase the number of primary schools and upgrade selected primary schools to junior high schools and junior high schools to high schools, introduce moral and value education in the curriculum, enhance the quality and number of teachers, establish a body to co-ordinate the Technical and Vocational Education Training and improve and expand the non-formal education programme.

7.2.2 PLAN PERFORMANCE

Significant achievements have been made in many of the planned programmes of the sector in the past two and a half years.

Out of 98 community and primary schools programmed in the Plan, 28 were established. The up-gradation of 32 primary schools to junior high schools and 8 junior high schools to high schools was completed. These up-gradations were not matched by a corresponding increase in teachers and learning materials and many of the newly upgraded schools continue with the same facilities.

Moral education as a subject was introduced from the 1999 academic session and the introduction of environmental studies in Dzongkha was extended to Class I. The Department is presently working with the Ministry of Agriculture to formulate a more effective programme for agriculture education. Subjects in the junior high level have been reduced with the introduction of integrated Sciences and combining of History and Geography with Social Studies. Vocational clubs were initiated in 9 schools and institutes and scouting programmes was introduced in 80 schools. A Youth Development Fund was established in order to address issues related to youth.

The enrolment capacity of the Teacher Training College at Paro was enhanced from 206 to 446 trainees and B.Ed courses were introduced in 1999. Similarly, the enrolment at the National Institute of Education at Samtse increased from 199 in 1997 to 267 in 1999.

Construction and maintenance of community schools through contributions from the parents was an important strategy adopted towards the sustainability of school facilities. In addition, the department is reviewing strategies for better planning and management in the maintenance of school facilities.

The Semtokha Rigney School was upgraded to the Institute of Language and Cultural Studies, and degree programmes were introduced from the 1999 academic session. The reconstruction and shifting of the Institute to Trongsa however, could not be taken up as initially planned due to lack of funding.

A draft proposal for the establishment of a National University was submitted to the government in January 2000.

To strengthen the technical and vocational education in the country, the TVES under the Education Division was given the status of an autonomous organization and renamed as the National Technical Training Authority. Up-gradation of the Royal Bhutan Polytechnic to an Engineering College was also approved.

To enhance the literacy rate through Non-Formal Education and Adult Literacy Programmes 54 learning centres and 16 post literacy centres were set up.

7.2.3 ISSUES AND RECOMMENDATIONS

7.2.3.1 Space Dilemma for Junior High and High Schools

Due to the increasing pressure of admission at various levels, the Department proposed that all schools should be encouraged to cater from Classes PP-VIII or even XII.

In addition to school up-gradation activities in the 8th plan, the meeting approved the up-gradation of 46 Primary Schools to Junior High Schools, 14 Junior High Schools to High Schools and 1 High School to a Junior College during the remaining plan period.

7.2.3.2 Raising the Basic Education Level

The meeting endorsed the proposal to enhance basic education level from Class VIII to X in the 9th Plan. However, the concern over the employment of the students dropping out before the proposed basic education level was raised and the Department of Education was asked to undertake a study on the matter.

7.2.3.3 Formation of National Higher Education Board and National University Office

It was reported that since there is no policy on higher education, the sector recommended the approval for the formation of National Higher Education Board and the establishment of National University Office. Since the proposal has been already submitted to the government the meeting did not deliberate on this issue.

7.2.3.4 Strengthening of Computer Education

It was submitted that computer education has not been able to make much progress due to the lack of funding. Annual RGOB financing of Nu. 20 m was requested to introduce computer education in the high schools. The MOF agreed to look into the possibility providing the funds.

7.2.3.5 RGOB Fund for Development and Rehabilitation of Schools

The Department suggested that the RGOB set up funds as an interim measure to offset the delay in funds for the development and rehabilitation of schools. However, the meeting did not make any specific recommendation on this issue.

7.2.3.6 Privatization Policy

With the increasing admission pressure on the government schools particularly at the higher levels the meeting endorsed the proposal to review the existing policy on privatization of schools and encourage private entrepreneurs to provide education at all levels.

7.2.3.7 Quality of Education

The meeting expressed the concern that the quality of education will be affected by the rapid expansion and up-gradation of schools without corresponding increase in the facilities and teachers and recommended the sector to urgently look into the matter.

Concerns were also raised on the deteriorating quality of education in the Kingdom. It was decided that the overall education system, in particular the NAPE System, needed to be reviewed. The Department of Education was instructed to carry out a study and take immediate corrective measures before it is too late.

7.2.3.8 Expansion and Relocation

Realizing the negative impact of adhoc implementation of expansion and relocation of schools in the past, the members felt that such programmes in the future must be brought within the framework of a master plan. It was, therefore, recommended that the Department should develop master plans for each school in all the dzongkhags.

7.2.3.9 Strengthening the Technical and Vocational Education and Training (TVET)

The meeting noted that the number of school drop-outs were increasing each year given the rapidly growing number of students graduating from different levels of schools and the limited intake capacity at the higher level of the education system and training institutes. It was recommended that a clear TVET policy be developed and the TVET capacity and facilities strengthened.

7.2.3.10 Teaching Allowance

Recognizing the profound responsibility shouldered by the primary school teachers in grooming the children, the meeting noted that the differential allowances offered to them was not reasonable. Therefore, it recommended the allowances for primary teachers be raised from existing 15% to 30 % with immediate effect.

The need to enhance the quality of teachers at all levels of the education system through the provision of further training and professional development was also pointed out. The meeting recommended that the Department of Education should discuss the issue with the RCSC as soon as possible.

7.2.3.11 Other Issues

The Department of Education also submitted the need to improve educational resources in the schools, the provision of physical facilities at the Institute of Language and Cultural Studies in Semtokha, etc. as some of the other issues confronting the Department of Education.

7.2.4 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No.	Issues	Decisions/ Recommendations	Follow-up by
1.	Development of computer education in the high schools	MOF to look into providing and financing of Nu. 20 m annually.	Department of Education and MOF.
2.	Flaws in the current education system, in particular the NAPE system.	Undertake a study to review the system.	Department of Education
3.	Proposed additional upgradation of schools	Upgradation of 46 PS to JHS, 14 JHS to HS and 1 HS to a Junior College was endorsed.	Department of Education
4.	Adhoc expansion and relocation of schools	Develop master plan for each school in all the dzongkhags	Department of Education
5.	Strengthening of the TVET	A clear TVET policy to be developed and the TVET capacity and facility to be strengthened.	NTTA
6.	Enhancing the quality of teachers at all levels of the education system	Training and further professional development for teachers to be discussed between the Department of Education and the RCSC at the earliest.	Department of Education and RCSC
7.	Revision of Teaching Allowances for primary school teachers	Raise from existing 15% to 30%	Department of Education, RCSC and MOF

8. ROYAL INSTITUTE OF MANAGEMENT (RIM)

8.1 PLAN OUTLAY AND EXPENDITURE

The total 8th plan outlay for the Royal Institute of Management is Nu. 15.38 m and the total expenditure as of December 1999 was Nu. 91.96 m which is 61% of plan achievement.

8.2 OBJECTIVES AND STRATEGIES

The key objectives of the Royal Institute of Management (RIM) during the 8th Plan is to provide training in public administration, business management and other administrative and management related fields for both the public and the private sectors thereby improving efficiency as well as reducing the dependency on expatriates. The main strategies adopted by the RIM were through the adoption of five broad activities, which were further translated into a range of both short-term and long-term general, financial and information management courses.

8.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The RIM, as the premier centre for management studies, has offered a wide range of business and management training courses. Besides nine regular training courses, RIM has offered many other specialized courses with more focus on the Executive Level and the Short-term Courses.

The RIM trained a total of 409 trainees in the general, financial and information management courses and 6900 participants attended the Executive and Short-term courses during the plan period under review. Four new courses have been developed and introduced in addition to nine regular training programmes.

Under the Decentralization Support Programme, a total of 59 training courses were conducted in various Dzongkhags, Geogs and Communities in order to support the decentralization process of the Government.

The RIM has also established linkages with International Institutes to share experiences and exchange technical expertise and skills. RIM is presently linked to the Asian Institute of Management (AIMS) in Philippines and Danish Institutes under the financial assistance provided by UNDP and DANIDA respectively.

Through the provision of consultancy, research and advisory services, the RIM has generated Nu. 1.7 m. This amount is to be used to form the seed money for the RIM Trust Fund.

Some of the major constraints faced by the RIM has been the lack of quality faculty, shortage of residential facilities, lack of credibility and low participation in its training programmes from the in-service and private sector personnel. The RIM also proposed that it should be recognized as the only training institute for management development in the country and the need for government support for in-country training courses was also highlighted. The introduction of ladderised career development programmes for the civil servants was proposed. It was submitted that more emphasis should be given to modular executive training courses while gradually phasing out the lower level secretarial and accounts training courses.

8.4 ISSUES AND RECOMMENDATIONS

8.4.1 Faculty Development

The meeting while appreciating the RIM's vision to achieve status of a Premier Centre for Management Studies in the country regretted that the faculty development has not been achieved successfully. The meeting commented that the strength and credibility of the institute depends on the professional quality of faculty and recommended RIM to pursue development and recruitment of faculty on priority basis in collaboration with the RCSC.

8.4.2 Short Term Training Packages

The RIM submitted that due to low educational level of the trainees available, the quality of short training courses could not be achieved. The RIM suggested the phasing out of short-term courses in the future.

The meeting commented that since the RIM did not have capacity to deliver higher level courses, it would not be wise to phase out the short-term courses for which capacity existed in the institute at present. The meeting therefore recommended that the RIM should continue to provide short-term courses.

8.4.3 Weaknesses in Marketing Strategies

The meeting commented that the RIM was not making enough effort to market their services and recommended rigorous marketing to be adopted to make their services known to the agencies and people.

8.4.4 Poor Participation of Government and Private Sectors

RIM submitted poor participation from the in-service and private sector in training programmes as one of the major problems confronting the institute. The meeting recommended that the RIM should carry out research on the training needs of public and private sectors to enhance their active participation in the institute's training programmes.

8.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. No	Issues	Decisions/Recommendations	Follow-up action by
1.	Faculty Development	Recommended RIM to pursue development and recruitment of faculty on priority basis in collaboration with the RCSC	RIM and RCSC
2.	Short Term Training Packages	Recommended RIM to continue providing short- term courses.	RIM
3.	Poor Participation by Government and Private Sectors	Review of the public & private sector training needs to be carried out to enhance their participation in RIM's training programmes.	RIM

9. MINISTRY OF TRADE & INDUSTRY

I. PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the MTI was Nu. 3730.50 m against which Nu. 1503.77 m was spent in the last two and a half years representing 40% of its outlay. The expenditure figure is inclusive of non-plan activities except for the Power Department. Programs and expenditure of the Power Department constituted the major portion of the MTI plan activities. The meeting was appraised that the power expenditure figures were for 2 years (July 1997-June, 1999) and that the expenditure for mega projects was not included. The MTI plan outlay represented 12 % of the total 8th FYP, out of which the Power sector plan outlay alone constituted 11.25 %.

II. OBJECTIVES

The overall objectives of the ministry are:

- Promotion of revenue and employment generation through the development of Trade & Industries;
- Development of Policy and Legal framework to facilitate trade & industrial activities;
- Ensure development of trade and industry in line with the national environmental policy;
- Human Resources Development including that of the Private Sector;
- To promote efficient delivery of programs and services towards overall economic growth; and
- Enhancement of foreign exchange earnings.

9.1 DEPARTMENT OF TRADE

9.1.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the Department of Trade was Nu. 51.67m against which Nu 19.68 m was spent in the last two and a half years representing 38 % of the department's plan outlay. The expenditure figure is inclusive of non-plan activities.

9.1.2 OBJECTIVES & STRATEGIES

- Improve the efficiency of small trading ventures;
- Promote consumer awareness and protection;
- Promote trade and improve the balance of trade with India;
- Expand trade with SAARC and other countries; and
- Promote diversification of exports

9.1.3 PLAN PERFORMANCE AND ACHIEVEMENTS

A trade policy is being drafted that will cover both international and domestic trade. The strategy is to create a conducive trading environment that supports the private sector's efforts through the simplification of administrative procedures, deregulation of the import and export regime and a number of initiatives to encourage and support such trade.

The over-all balance of trade based on the provisional figures for 1999 (including the export of electricity) indicates a trade deficit of Nu. 2,458.05 m. This is an almost 250 % increase in the trade deficit as compared to 1997. India still remains Bhutan's main trading partner. During 1997, imports from India accounted for Nu. 3,453.59 m and exports accounted for Nu. 4,041.94 m, constituting a positive trade balance of Nu. 722.05 m. The provisional figures for 1999, however, indicate that total imports from India accounted for Nu. 5,822.4 m while exports accounted for only Nu. 4,737.80 m, thereby, indicating a trade deficit of around Nu 1084.6 m.

Within the framework of the South Asian Association for Regional Co-operation (SAARC), the department spearheaded Bhutan's negotiations and participation in the SAARC Preferential Trading Arrangement (SAPTA) which aims at greater liberalization of tariffs in the SAARC region. The department is working towards a South Asian Free Trade Area by the year 2002. Unfortunately, the progress of SAPTA and SAFTA has been quite slow.

The department has also initiated and continued to carry on activities related to promotion of awareness on consumer rights, protection against unfair trade practices and safety of products; control of fronting practices, lifting of the ban on bar licenses, etc. The total number of trade licenses issued was 12,617 out of which 8629 was issued till June 99 and the rest 3988 was issued from July 97 to December 99. As a part of the demonopolization exercise, out of the total 77 dealership licenses issued as of December 1999, 32 dealership licenses were issued during the period under review.

With regard to activities concerning the various bilateral and multilateral trade agreements, the existing Trade Agreement with India was renewed in February 1995 for a period of 10 years. It was reported that Bhutan and Bangladesh had signed trade and transit agreements in 1980. The meeting was informed that the protocol of the agreement, which was signed in February 1984, is due to expire in September 2000. The agreements will be renewed for a period, which is to be mutually agreed upon.

9.1.5 ISSUES AND RECOMMENDATIONS

9.1.5.1 Trade Licenses in Border Towns

It was reported that there is a ban at present on issue or transfer of licenses in the border towns of Phuntsholing, Gelephu and Samdrup Jongkhar. The rationale for this is to control business fronting. The department was of the opinion that this control,

however, denied opportunities for Bhutanese nationals who wanted to genuinely start businesses on their own. Moreover, it was perceived that the ban had not really succeeded in eradication of business fronting in these areas. The department recommended that it would be better to lift the restriction on issue and transfer of trade licenses in these towns while at the same time develop a mechanism to control business fronting.

It was decided that capacity building in the MTI was important in order to raise the level of professionalism and promote integrity within the sector. MTI was instructed to undertake a study and submit a report to the CCM through the Planning Commission on the issue of trade licenses and business fronting in border towns.

9.1.5.2 Promotion of small cottage industries and business

The meeting noted that the private sector was very weak and fragile and emphasized the importance of private sector development. The meeting recommended the promotion of the small cottage industries and business as the engine of growth.

9.1.5.3 Other issues

With regard to issues such as Bhutan’s membership to WTO, Development of a Draft International Trade Policy, Commercial Attaches in Bhutan missions and embassies, construction of an office building, regional trade and industry offices in Trashigang and Trongsa, the meeting agreed that these did not require discussion in the MTR and that the MTI could look into the issues.

9.1.6 LIST OF ISSUES AND RECOMMENDATIONS

Issues	Decisions/Recommendations	Follow-up action
Trade and service industry licenses in border towns and Business Fronting practices	The MTI was directed to carry out an in-depth study and impact analysis, and accordingly submit a paper to the Planning Commission for comments and then for decision to the CCM	MTI
Promotion of small cottage industries and business.	The promotion of the small cottage industries and business as the engine of growth.	MTI

9.2 DEPARTMENT OF INDUSTRY

9.2.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the Department of Industry was Nu. 137.16 m against which Nu. 50.927 m was spent in the last two and a half years representing 37 % of the department's plan outlay. The expenditure figure is inclusive of non-plan activities.

9.2.2 OBJECTIVES AND STRATEGIES

- Increase the contribution of industry to GDP, and to government revenue on a sustainable and environmentally friendly basis;
- Increase the profitability of indigenous industries;
- Promote industrial development through private enterprises; and
- Broaden employment opportunities through skills development

9.2.3 PLAN PERFORMANCE AND ACHIEVEMENTS

Under the Phase-II of Cottage, Small and Medium Scale Industries (CSMI) Development Project funded by UNDP, 501 persons were trained in various business and technical skills during the period under review. Nu 30.83 m has been disbursed so far from the financial institutions commitment of Nu.100 m under the Entrepreneurship Loan Scheme.

Feasibility studies of medium and large-scale projects have been undertaken and the Agro-based industry in the East and the Tungsten mining and benefaction projects have been dropped as the study proved the projects to be un-viable. It was reported that the Calcium Carbonate project would be given to the private sector. The construction material study was reported, as being currently under evaluation as more products might have to be included.

The Industrial Master Plan funded by UNDP under the Private Sector Development Programme (PSDP) is under progress. A total of 137 distillation units were distributed to the people of four eastern Dzongkhags (Mongar, Trashigang, Trashiyangtse and Lhuentse) under the second Phase of the Essential Oils Development Programme (EODP) under the UNDP funded Integrated Horticulture Development Programme (IHDP). A total income of Nu. 9.437 m has been generated from the sale of essential oil during 1997-98 with a total production of 21,534 kgs of oil.

It was informed that the development of planned infrastructure could not be taken up due to lack of funds as activities such as the Gidakom Industrial estate development could not be taken up due to none release of funds.

In the pursuance of the policy on privatisation and private sector development, cement block-making units at Kurichu and Jemina were given to private entrepreneurs.

Bhutan Polymers Ltd. (earlier Bhutan Packers), a large scale HDPE/PP bags manufacturing unit has also been set up and has commenced commercial production.

In order to capitalise on the benefits of the foreign investments, a committee comprising of representatives from the relevant government agencies has been formed to formulate guidelines on foreign investment. Moreover, under UNDP's assistance, a consultant has prepared a draft policy framework for foreign investment.

Regarding the Dungsum Cement Project, the meeting was appraised that M/s Associated Cement Companies (ACC) of India had withdrawn from the proposed joint venture citing security concerns and prolonged delay in the implementation. However, it was reported that the Project Authority had already initiated the process of selecting a new joint venture partnership from India.

During the period under review, a total of 1,674 licenses for undertaking production and manufacturing, service and contract activities were issued to the people.

9.2.4 ISSUES AND RECOMMENDATIONS

9.2.4.1 Industrial Location

The department submitted that the present location policy prohibits industrial establishment along the international border. While the long-term policy objective was well understood and appreciated, the department recommended that the developmental impacts particularly on the industrial sector needed to be examined.

The meeting discussed this issue at length and agreed that there were risks involved if the present policy was not pursued. However, it was felt that exceptions could be made, and careful studies undertaken to identify certain pockets near the border for industrial growth. The meeting was also of the opinion that setting up industries at the border did not automatically make them viable and conducive to entrepreneurs. It was decided that the MTI should update the studies carried out in the past on industrial location throughout the country and submit it to the Council of Ministers for their decision.

9.2.4.2 Foreign Direct Investment

The meeting was appraised that a study had already been carried out with regard to FDI. It was decided that the report should be submitted to the Planning Commission for comments and then to the CCM for decision.

9.2.4.3 Location for Service Industries

The department informed the meeting that the present location restrictions seem to discourage Bhutanese initiatives in establishing essential service units in border towns. The meeting agreed that the MTI should undertake a study and submit a report through

the Planning Commission on the location of service industries for decision in the Council of Ministers.

9.2.4.4 Licensing of Movie Halls and Video Parlors

While the department was aware that rules and regulations for establishment of movie halls and video parlors did not exist, it was felt that these activities could be permitted to meet expanding demands, especially in urban areas. The Ministry of Communications, however, requested that this be withheld for the time being as the MOC was carrying out an impact analysis on cable operators.

The meeting decided that the MOC and MTI should discuss the matter jointly to come up with an amicable solution.

9.2.4.5 Financing Constraint

The department submitted that the Bhutanese economy was at a paradoxical situation with excess liquidity in the financial institutions and financing constraints in the private sector. The department recommended that the financial institutions should become proactive and study the underlying constraints while at the same time improving direct dialogue with the private sector.

The meeting agreed that this did not require discussion and that the MTI could look into the issue and decide accordingly.

9.2.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Recommendations	Follow-up action
1.	Industrial Location	MTI to carry out a detailed study on industrial locations including service industries throughout the country, past exercise could be updated and presented to CCM	MTI
2.	Licensing of movie hall and video parlors	MTI and MOC to look into the issue jointly and come up with an amicable solution.	MTI & MOC.
3.	Foreign Direct Investment	The FDI report to be submitted to the Planning Commission for comments and CCM for decision	MTI, PC and CCM

9.3 DEPARTMENT OF TOURISM

9.3.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the Department of Tourism was Nu. 30.16 m against which Nu. 17.87 m was spent in the last two and a half years representing 59 % of the department's plan outlay. The expenditure figure is inclusive of non-plan activities.

9.3.2 OBJECTIVES & STRATEGIES

- Ensure a regulated but steady growth of the tourism industry based on the principal of “High Value Low Volume” ;
- Maximize foreign exchange earnings of the industry; and
- Earn revenue for the Government

9.3.3 PLAN PERFORMANCE AND ACHIEVEMENTS

With regard to Tourism industry in Bhutan, the meeting was appraised that tourism was the largest hard currency earner and the fourth largest revenue contributor. It was also informed that tourists constituted 40% of Druk-Air's passengers at present. The annual arrival of about 20,000 tourists from India was also reported. In addition to its contribution towards revenue generation, the department highlighted that tourism also contributed to employment generation with over 900 employed directly and another 400 employed seasonally.

Tourist arrivals and earning between 1997 and 1999 were as follows:

Year	Arrivals	Gross Earnings	Royalty
1997	5,363	US\$ 6.55	US\$ 2.48
1998	6,203	US\$ 7.98	US\$ 3.02
1999	7,174	US\$ 8.70	US\$ 3.42
TOTAL	18,740	US\$ 23.23	US\$ 8.92

Tourism witnessed a major change in 1999 with the government's decision to liberalize licenses of tour operators. As a result the number of tour operators have increased from 33 in 1997 to 70 operators in 1999. There were no planned activities in the tourism sector, however several unplanned activities were carried out during the last two and half years of the 8th plan including a Human Resource Development project, where 242 people were trained in 12 in-country courses. Nine people were presently being trained abroad in hotel management and cooking.

The meeting was also informed that in order to promote tourism; tourism officials and private tour operators had attended three major fairs abroad. The tourism officials

had also undertaken a study tour of various tourism infrastructure and tourism HRD facilities in Austria in March 1999.

A Tourism Development Fund and a Tourism Development Board has also been created and a sum of US\$ 60,000 collected during 1999. The department highlighted that the funds are to be used for various activities towards the development of the tourism industry. It was reported that with matching funds from the government substantial development activities could be undertaken.

The department also appraised the meeting that an Association of Tour Operators had been recently formed to function as the bridge between the private tourism industry and the RGOB. It was hoped the association would facilitate the effective resolving of problems and issues in the future.

The meeting noted the importance of the Tourism sector in terms of employment, revenue and hard currency generation, and also for portraying the image of the country.

9.3.4 ISSUES AND RECOMMENDATIONS

9.3.4.1 Tourism Policy & Study

The meeting felt that a clear tourism policy was required to guide this dynamic sector. In this context, it was agreed that there should be an overall study undertaken on tourism in the context of Bhutan's constraints and potentials.

9.3.4.2 Development of the Tourism Industry vis-à-vis infrastructure constraints

The need to converge the two co-related aspects of tourism and infrastructure development was emphasized for the long-term sustainability of the tourism industry. The need to review the increasing number of tourists against the limited service infrastructure was highlighted.

9.3.4.3 Quality of Services

The meeting also noted the increase of tourist operators from 33 to 70 with the liberalization of tour operators licenses in 1999. However, the need to enhance the quality of guides and their professionalism was re-emphasized. The un-impressive state of our handicrafts and low quality products that are often highly charged were also raised as issues of concern. It was recommended that these aspects needed to be improved to enhance the portrayal of the country's image.

9.3.4.4 More areas and places/establishments of tourist interest need to be opened to attract more visitors and increase night-halts

The meeting agreed that there was a need to identify areas of tourist interest while at the same time bearing in mind the sanctity of sacred/holy places. It was recommended that this issue should be taken up in consultation with the Special Commission for Cultural Affairs.

9.3.4.5 Chartered foreign aircrafts and Introduction of Domestic helicopter services.

It was highlighted that if the flow of tourists were to be distributed throughout the year, the possibility of chartering the Druk-Air rather than other foreign aircrafts should be explored to make the Druk-Air more viable. It was, therefore, agreed that a proposal to this effect should be put up to the CCM.

With regard to the domestic helicopter services, the meeting was appraised that the CCM had instructed the Ministry of Communication to pursue the matter and carry out a feasibility study. The findings of the study were reported as not very encouraging. The meeting was informed that at the moment it was not known whether the proposal would be viable. However, the meeting was assured that the government was interested in initiating domestic helicopter services.

9.3.4.6 Establishment of Hotel Management and Tourism Institute

As tourism constituted a very good potential source of employment generation for the increasing number of school leavers, the meeting proposed that an Institute be established for Hotel Management and also for training in other aspects of tourism.

9.3.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Decisions/Recommendations	Follow-up action
1.	Tourism policy and overall study	Decided that a clear-cut tourism policy was required. MTI to carry out overall study of tourism in the context of Bhutan's potentials and constraints	Department of Tourism
2.	Development of tourism industry vis-à-vis infrastructure constraints	MTI to carry out study and needs assessment and submit to PC and CCM	Department of Tourism
3.	Quality of services	Need to improve quality of services (guides, products, etc) to not only improve earning from the tourism industry but also to enhance country's image.	Department of Tourism
4.	Open more places of tourist interest	Need to identify areas of interest keeping in mind the sanctity of sacred places. To be done in consultation with the Special Commission for Cultural Affairs	Dept of Tourism & NCCA
5.	Chartering of Druk Air for tourists	Distribute flow of tourists throughout the year and examine possibility of chartering Druk Air. Submit proposal to CCM	Dept. of Tourism, Druk-Air& MOC
6.	Establishment of Hotel Management & Tourism Institute	For provision of Hotel Management and also for training in other aspects of tourism – to facilitate generation of employment for school leavers urgently.	Department of Tourism
7.	Introduction of Domestic Helicopter Services	Feasibility study by MOC as instructed by CCM. Survey not very encouraging but the govt. still interested. Proposal to be submitted to CCM	MOC & MTI

9.4 DEPARTMENT OF GEOLOGY AND MINES

9.4.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the Department of Geology and Mines was Nu. 99.90 m against which Nu. 37.57 m was spent in the last two and a half years representing 38 % of its plan outlay. The expenditure figure is inclusive of non-plan activities.

9.4.2 OBJECTIVES

- Identify and explore natural resources to meet the raw material requirements of mineral based industries
- Prevent disaster caused by natural hazards such as GLOF, landslides, mass movements/ earthquakes, monsoon flood, climate (Global change) etc by way of monitoring and mitigation and early warning.
- Advice on the judicious exploitation of mineral resources by the industries
- Promote mineral development vis-à-vis environment preservation.
- Be self reliant in any geo-scientific task within the country.
- Contribute to revenue generation
- Carry out engineering geological investigation in the major projects like hydropower, roads and urban infrastructure development.

9.4.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The department reported that the total number of mines leased was 39, which included 15 mines leased during the period under review. The meeting was also informed that the total area of mines leased was 475,69 hectares, 221.33 hectares was leased during the period under review. Revenue earned from royalty and mineral rent from 1997–99 was Nu 97.655 m. Details of the mines leased during the 8FYP was also presented.

9.4.5 ISSUES AND RECOMMENDATIONS

9.4.5.1 Revision of mining lease terms

The meeting was appraised that there was a need to revise the mining lease terms, which was currently granted for three to ten years with provision for extension. The department submitted that because of the limited lease terms, leaseholders did not have the incentive to invest wholeheartedly thereby leading to adverse environmental mining practices and impacts. It was reported that the DGM was preparing a proposal for review and finalization by higher authorities.

9.4.5.2 Procedure for issuing mining lease

As proper mining is not being undertaken at present, it was reported that the department was in the process of preparing a document under the Environment Sector Support Program, which will be submitted, to the PC and then the CCM for decision.

The meeting felt that the institutional strengthening of the department was of paramount importance. The need to clearly outline the DGM's mandate with support from the RGOB was also agreed and accordingly a proper plan of action was asked to be submitted. It was noted that DGM was one area where the benefits from the presently untapped resources could be enormous.

9.4.6 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Recommendations	Follow-up action
1.	Revision of mining lease terms	DGM to carry out study and submit to PC	DGM & PCS
2.	Procedure for issuing mining lease	Submit proposal to the PC and then CCM	DGM & PCS
3.	Institutional strengthening and preparation of a clear cut mandate for the DGM	A proper plan of action for institutional strengthening and formulation of a clear-cut mandate for the DGM to be submitted	DGM

9.5 DEPARTMENT OF POWER

9.5.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP plan outlay for the Department of Power was Nu. 3374.12 m against which Nu. 1334.36 m was spent in the last two years representing 40 % of its plan outlay. The expenditure figure is exclusive of non-plan activities.

9.5.2 OBJECTIVES

- To fulfill the electricity service demand of the consumers through provision of safe, reliable and efficient supply system
- To encourage utilization of hydroelectric energy, which is renewable, environmentally clean and sustainable and in the long run to reduce firewood and imported fossil fuel consumption.
- To contribute to the reduction of Global Green House gas emissions by providing alternative clean energy such as that from hydro and solar.
- To improve the quality of life and alleviate poverty especially in the rural areas by providing electricity through extensive rural electrification schemes and at the same time to reduce the rural-urban migration; and
- Generation and transmission of hydroelectric energy for export and revenue earnings, which will be used for further development of the socio- economic sectors.

9.5.3 PLAN PERFORMANCE AND ACHIEVEMENTS

Revenue generation from the power sector continues to be the highest in the country contributing Nu 1,481.009 m during the fiscal year 1998-99 as against Nu. 1,449.231 m in 1997-98, registering a growth of 2.19%, and constituting 41.7% of the total national revenue. Export tariff has been revised from Nu 0.50 to Nu1.00 per unit (from April 1997-June 99) and domestic power tariff for urban, commercial and industrial consumers has also been revised from Nu. 0.60 to Nu. 0.70 per unit with effect from January 2000.

Some of the achievements in the sector for the 8FYP were the completion of the rural electrification spillover works and the implementation of the Eastern Transmission Grid for evacuation of the Kurichu Power. Feasibility of the 900 MW Mangdechu hydropower project (HPP) has been completed while the study for the 360 MW Punatsangchu HPP is ongoing. The works on the Basochu HPP stage I is expected to be completed by June 2001. The department raised the concern that this project will be linked to the western transmission grid through the Semtokha–Basochu line for which no funding has been identified. The department also highlighted that finances for the second stage of the project has not been finalized. In view of the importance of the project, the Ministry of Finance was requested to look into these issues at the earliest possible.

Major projects such as the 60 MW Kurichu and 1020 MW Tala Hydro Power Projects were also launched. It was highlighted that the Kurichu HPP was expected to be completed by September 2001 at the cost of Nu 5,060 m (excluding interest during construction). Tala HPP was scheduled to be completed by 2004-2005 at a cost of Nu 31,300.00 m. The meeting was also appraised that the Joint Implementation project (Killungchu) had been started and that a 8km road has been constructed so far.

A plan of action proposed by the ADB for the corporatisation of the Division of Power by the year 2002 has been started. The meeting was informed that all preparatory works such the formulation of Electricity Acts, Hydro-power Development Policy framework on foreign investment, development of commercial accounting system etc. are under progress.

9.5.4 ISSUES AND RECOMMENDATIONS

The meeting noted that decisions had already been taken in the CCM for most of the issues mentioned.

9.5.4.1 Tingtibi to Trongsa/Bumthang Transmission line

The issue was raised to sensitize the Planning Commission members although decisions had already been taken in the CCM. The DOP was directed to focus efforts on providing energy to areas, which had acute shortage of power at present.

9.5.4.2 Eastern Transmission grid to Lhuentse

The meeting was appraised that the CCM had already taken the decision to take up the construction of transmission lines from Kurichu instead of constructing the Yonglachu mini hydel project in the 8th FYP.

9.5.4.3 Western Transmission grid

This was not deliberated as the meeting noted that the CCM had already taken decision on the issue.

9.5.4.4 Solar Energy project

The meeting noted that only spill-over works were carried out as there were no funds for the 8th plan activities.

9.5.4.5 Corporatization of the electrical utility functions of the Power Department

The meeting agreed that there was not much discussion required on the issue as the government had already taken the decision that transmission and distribution of electricity will be corporatized.

9.5.4.6 Enhancement of private sector participation

The department reported that unlike in most of the other countries, the private sector had not been particularly active in the construction of LV, MV lines and sub-stations. The department felt that to enhance efficiency, minimize costs and improve reliability to provide better customer services, it would be desirable to contract most of these construction works to the private sector. This, in the department's opinion, would enable them to focus on power planning, regulatory functions, operation and maintenance, improving its information system, etc. The issue of foreign equity and tax holidays was also raised.

However, a member mentioned that for the time being it was unlikely for the private sector to effectively participate in these activities.

9.5.4.7 Power Training Institute

The re-consideration of establishing the Power Training Institute (PTI) Project was discussed even though the electrical utility functions of the power division are expected to be corporatized by 2002. It was pointed out that the PTI was absolutely necessary for enhancing the revenue base and to generate employment for school leavers. The meeting decided that the PTI must be established. It was agreed that the PTI should be registered under the broad framework of the National Technical Training Authority.

9.5.4.8 Water resource potentials

The meeting noted that water resources have other potentials besides the hydro-power generation and therefore directed the MTI to explore the possibilities of developing water based recreational activities.

9.5.5 LIST OF ISSUES AND RECOMMENDATIONS

Issues	Decisions/Recommendations	Follow-up action
Power Training Institute	To revive the project and include it in the 8 th FYP. Must ensure that it is registered under the NTTA.	MTI (DOP) & NTTA
Water resource potentials	MTI to explore the possibility of developing water based recreational activities.	MTI

10. BHUTAN BROADCASTING SERVICE (BBS)

10.1 PLAN OUTLAY AND EXPENDITURE

Although there is no approved plan outlay for BBS, based on the projected needs a sum of Nu.274.595 m was kept as the outlay. The expenditure for the period under review was Nu. 72.367m which is an achievement 26%.

10.2 OBJECTIVES

The key objectives for the 8th Plan were to provide news and current international affairs in an objective manner, provide forum for participatory programmes on national development issues, strengthening national cohesion through the communication of shared aspirations and perceptions and improving the quality and reliability of services.

10.3 PLAN PERFORMANCE AND ACHIEVEMENTS

One of the significant achievements of BBS was the establishment of a television station in Thimphu. This is part of the national plan towards introducing television nation-wide in another two to three years.

In 1999, the radio air time was increased from 30 hours to 40 hours a week with the enhancement of skills, recruitment of additional staff and improved technology.

A project funded by DANIDA has been launched to expand the FM radio services. In the first part of the project, three relay stations at, Dochula in Thimphu, Jabji in Paro and Takti in Gedu have been already set up. Civil works at Dochula have been completed and a 250W FM transmitter has been installed on an experimental basis. A 1KW FM radio transmitter at Dochula is expected to be commissioned by June 2000. Similarly, the stations at Takti and Jabji are also expected to be commissioned by June 2000.

In order to enhance professional skills, a total of 126 staff was trained, both in-house and outside the country. The BBS has also set up a completely digital audio recording studio so that traditional music, songs and dramas can be preserved and promoted more effectively.

10.4 ISSUES & RECOMMENDATIONS

10.4.1 Expansion of Nation-wide Television Services

It was noted that television could be used as an effective means to reach the general public for the promotion and preservation of the Bhutanese culture. The meeting recommended effective expansion of the national television programmes to the dzongkhags in the next two to three years. The Ministry of Finance supported the need to

provide financial assistance to the BBS for these programmes, and informed that the Japanese government has also been requested for assistance.

10.4.2 Improving the Quality of Programmes

Concerns were expressed on the quality of the current television programmes and it was noted that some of the privately produced programmes were far below standard. The need for improving the quality and careful screening of programmes were stressed.

10.4.3 Channel for BBS Television Programmes

The meeting recommended that, as proposed, the BBS and the MOC should strictly enforce the condition that all cable operators should devote at least one channel to BBS television programmes.

10.4.4 Balanced Air Time between Television & Radio Programmes

The members mentioned that with the introduction of television, the BBS has been giving more focus to television services, which unfortunately caters only to viewers in Thimphu at present. The meeting advised that equal time and attention be given to radio programmes which still constitutes an important media in the dissemination of information and education especially in the rural areas.

10.4.5 Human Resource Development Master Plan

The meeting pointed out the importance of institutional capacity building and development of media professionalism in BBS. Accordingly, it was directed to prepare a Human Resource Development Master Plan to enhance professionalism and upgrade technical staff to produce quality programmes.

10.4.6 Improvement/Upgradation of Recording Equipment

To facilitate the production of quality programmes, the meeting suggested the upgradation and standardization of the existing equipment which were reported as being obsolete.

10.4.7 Media Advisory Board

The meeting recommended the setting up of a Media Advisory Board to promote the formulation of proper media policies.

10.4.8 Other Issues

Consolidation of infrastructure at Thimphu, finalization of TV signal distribution mode for national service and the division of TV and radio into separate units were also recommended.

10.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Decision/Recommendations	Follow-up
1.	Expanding nationwide television	To be completed in two to three years	MOF and BBS
2.	Proper Media Policy	Establish Media Advisory Board	BBS
3.	Institutional Capacity Strengthening	Improve professionalism, quality of staff and programmes	BBS & RCSC
4.	The quality of programmes	The quality to be improved & privately produced programmes to be carefully screened.	BBS
5.	Showing of BBS Television Programmes on cable TV	BBS and the MOC to strictly enforce the condition that all cable operators should devote at least one channel to BBS programmes.	BBS & MOC
6.	Importance of Radio programs	BBS to devote equal importance and time to radio programmes in view of the wider coverage and a media for dissemination of information, particularly in rural areas.	BBS
7.	Improvement & upgradation of recording equipment	BBS to upgrade and standardize the equipment to facilitate production of quality programmes	BBS

11. MINISTRY OF HOME AFFAIRS (MOHA)

11.1 DEPARTMENT OF IMMIGRATION AND CENSUS

11.1.1 PLAN OUTLAY AND EXPENDITURE

The total 8th Plan Outlay for the Department of Immigration and Census was Nu. 36.320 m and the total expenditure as of December 1999 was Nu. 26.306 m which is about 72% of its plan outlay.

11.1.2 OBJECTIVES AND STRATEGIES

The key objectives and strategies are to regulate and control immigration through the conducting of demographic census and encourage the optimal utilization of available national manpower.

11.1.3 ISSUES AND RECOMMENDATIONS

11.1.3.1 Population Figure and Migration Policy

While population data was noted as being very crucial and important for efficient and effective planning, it was highlighted that the revised population figure would be made available only after the completion of the population registration exercise.

11.1.3.2 Day Workers in Border Towns

Regarding the issue of day workers in border towns, the meeting recommended that control measures should be adopted and enforced carefully.

11.1.3.3 Visitors and Road Permit

Many concerns were raised on the procedural complexities of road permits and the meeting recommended the relaxation of permit issuance to places which are not restricted.

11.1.3.4 National Work Force

On the issue of identifying an appropriate agency for recruitment and employment of the national work force, the meeting recommended the National Employment Board and the Home Ministry to study the matter and submit a report.

11.1.3.5 Institutional Strengthening

The meeting acknowledged the general shortage and the need for qualified manpower in the department. The provision of institutional strengthening and the separation of the Immigration and Census Department into two different departments were recommended as essential measures to enhance the department's delivery of services.

11.1.4 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Decision/Recommendations	Follow-up
1.	Day workers in border towns	Control measures to be adopted and enforced carefully	MOHA
2.	Visitors and Road Permits	Relaxation of road permit issuance to places which are not restricted	MOHA
3.	National Work force	National Employment Board and MOHA to jointly study the issue of which agency should be responsible for recruitment and employment of the national work force. Report to be submitted.	MOHA and NEB
4.	Institutional strengthening	Institutional strengthening and separation of the Immigration and Census into two departments to enhance delivery of services.	MOHA

11.2 DEPARTMENT OF SURVEY AND LAND-RECORDS

11.2.1 PLAN OUTLAY AND EXPENDITURE

The total 8th Plan Outlay for the Department of Survey and Land Records is Nu. 131.21 m and the total expenditure as of December 1999 was Nu. 53.342 m which is about 41% of its total plan outlay.

11.2.2 OBJECTIVES AND STRATEGIES

The main objective of the Department is to improve the land information system. The strategies adopted are to carry out land registration through cadastral surveys, production of reliable topographic maps and computerization of land information.

11.2.3 PLAN PERFORMANCE AND ACHIEVEMENTS

The department made good progress in the area of land recording and registration. Land registration and new Thram compilation for four dzongkhags against the plan target of 16 dzongkhags was completed. Further, the computerization of land records for five dzongkhags against the plan target of 12 Dzongkhags was completed. The capacity for printing of maps had also been developed and with the introduction of the Global Positioning System (GPS) remarkable progress had been made with regard to geodetic surveys and precision control.

11.2.4 ISSUES AND RECOMMENDATIONS

11.2.4.1 Payment for Excess land holding

The meeting was appraised on the difficulties faced by the department in the collection of excess land-holding payments from the public in the four Dzongkhags where new land registration and thram compilation were undertaken after the cadastral survey. The meeting was informed that a sum of Nu. 0.57 million had been collected while a sum of Nu. 0.90 million was still outstanding.

Although the issue had already been submitted to the CCM, it was noted that since most of the excess land-holders were new settlers, it was felt that the cases should be reviewed carefully. However, with regard to ancestral land-holdings, while bearing in mind relevant clauses of the Land Act and National Assembly Resolutions, a more considerate approach was recommended especially since land measurement methods might not have been accurate in the past.

11.2.4.2 Shortage of surveyors

The shortage of technical manpower, particularly surveyors, was raised as one of the major constraints faced by the department. The meeting recommended that

institutional strengthening and capacity building should be carried out to support such specialized and sensitive activities.

11.2.4.3 Geodetic Coordinates

There were serious concerns raised with regard to the issue of the Geodetic Coordinates, the department however, clarified that this was a highly sensitive issue.

11.2.5 LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Decision/Recommendations	Follow-up
1.	Payment for excess land holdings	Issue already submitted to the CCM. However, the MTR recommended that with regard to ancestral land-holdings, while bearing in mind relevant clauses of the Land Act and National Assembly Resolutions, a more considerate approach was recommended since measurement methods might not have been accurate in the past.	MOHA
2.	Shortage of Surveyors	Institutional strengthening and capacity building to be carried out to support specialized and sensitive activities.	MOHA

12. NATIONAL COMMISSION FOR CULTURAL AFFAIRS

12.1 PLAN OUTLAY AND EXPENDITURE

The 8th FYP outlay for the National Commission for Cultural Affairs (NCCA) is Nu. 233.31 m and the expenditure incurred during the last two and half years of the plan period was Nu. 71.560 m, which represents 31% of the Commission's plan outlay.

12.2 KEY OBJECTIVES AND STRATEGIES

- To consolidate and strengthen “*Ka-Nying Zung Drel*” spritual tradition;
- Promote “*driglam choesum*” and its relevance to contemporary national life;
- Renovate 2000 ancient monasteries and temples in the country;
- Preparation of inventory and photographic documentation;
- Preserve ancient documents and computerize records;
- Strengthen cultural institutions and centres and institutions, including the construction of new integrated cultural centre, and further institutional strengthening of RAPA, school of arts and crafts, and the national museum
- Promote culture through shared knowledge, publications, cultural activities, seminars and workshops.

12.3 PLAN PERFORMANCE AND ACHIEVEMENTS

Coinciding with the Silver Jubilee Celebration of His Majesty the King's glorious reign, the commission published two books on *Driglam Namzha*. Nu.12 m was also mobilized for re-electrification of the Museum and procurement of Audio Visual equipment. *Chathrim*s for new constructions, renovations and restorations of cultural monuments were completed and are ready for submission to the CCM.

The commission published 5000 copies of NCCA brochures and has completed cultural orientation for two batches of graduates. In line with the commission's objective for promoting cultural exchanges, two Indian Cultural troupes and a film festival were also held in the Thimphu.

Against the plan target of 2000 temples, physical verification and record updating of artifacts in 708 temples have been completed. Photographic documentation of moveable artifacts in 53 temples and computerization of inventory records in 170 temples have also been completed.

Initiatives towards standardization of mask dances has been carried out by training 33 *cham dodam* from the dzongkhags. The commission had also published the *Kuenphen kabum* and *Zung buel Driglam Norbu Threngwa* during the plan period under review.

With regard to the renovation and up-gradation activities, the crematorium in Thimphu was completed with financial assistance from DANIDA and RGOB. The renovation works of Mindu Gonpa, Menchu Lhakhang and Dobji Dzong were completed with the financial assistance from the SDA while renovation works of the Dechenphug Lhakhang was completed with funding support from the UNESCO.

On the issue of sustainability and NCCA's ability to carry out restoration and conservation works of all the 2003 reported monasteries and temples, the NCCA informed the meeting that temples and monasteries were classified into four categories namely: Private, Government, Community and Lama owned. The meeting was informed that the NCCA had the responsibility to provide restoration and conservation services only for the government owned monuments, and some selected private Lhakhangs constructed by Zhabdrung and other important Lamas.

12.4 ISSUES AND RECOMMENDATIONS

12.4.1 Decentralization of restoration/conservation works versus retaining of former characteristics of cultural and historical monuments

The NCCA reported that the ongoing policy for restoration and conservation works of historical and cultural monuments are decentralized to the dzongkhags in consideration of sustainability, cost effectiveness and wider coverage issues. The NCCA was, however, concerned that the importance of retaining the former characteristics of the monuments was being overlooked in the implementation of some of these works in the dzongkhags. The meeting however, recommended that the restoration and conservation works should continue to be decentralized while the NCCA should specifically be involved in issuing overall guidance and setting standards and specifications.

12.4.2 Creativity and originality versus cheap imitations in songs, dance and films

The NCCA informed that a number of audio-visual cassettes proliferating in the market at present were mostly cheap imitations of popular western and Hindi productions. It was suggested that while the growth of the few audio-visual industries in the kingdom should be encouraged, the prevention of undesirable trends should also be strongly emphasized.

12.4.3 Promotion of Cultural values

The meeting expressed concern that the NCCA seemed to be solely focussing their efforts on the restoration and conservation of historical monuments without much being done to promote and advocate cultural values. It was felt that since culture is constantly evolving and children are the prime media of the cultural chain, NCCA should make a concerted effort to advocate and promote cultural values through the school children and education system.

12.4.4 Need for a clear-cut mandate for the National Commission for Cultural Affairs:

The meeting discussed and agreed that there was a need for a clear-cut mandate for the NCCA, which should include promotion of cultural values as one of its major components. It was, therefore, recommended that NCCA should formulate a well defined mandate to provide effective direction for its future activities.

12.4.5 Up-gradation and handing over of the Thimphu Public Library to the Thimphu City Corporation:

The meeting mentioned that the Thimphu Public Library should be given more prominence. It was suggested that the library could be strengthened and upgraded to cater to the increasing needs of the town's population. The meeting recommended that the Library should be handed over to the Thimphu City Corporation (TCC) and the library services provided by the TCC.

12.4.6 Strengthening of Royal Academy of Performing Arts (RAPA):

The meeting recommended that RAPA should be strengthened and that it should accordingly prescribe to a proper syllabus and certificate system, and that the entry level be raised to class VIII with the creation of a clear division between academic and professional performing groups. It was also mentioned that the graduates from the RAPA could be inducted into the civil service and distributed to the schools and institutes as dance and *cham* teachers.

The meeting endorsed that RAPA should be up-graded as proposed.

12.4.7 Preservation of antiques :

It was brought to the notice of the meeting that smuggling and flight of antiques out of the country has become a major problem. Suggestions were, therefore, made that NCCA could buy and preserve the antiques before it was too late. Accordingly, it was decided that the NCCA would take up this responsibility once it was in a position to procure the required finances after the establishment of the Bhutan Trust Fund for Cultural Heritage.

12.4 TABLE ON THE LIST OF ISSUES AND RECOMMENDATIONS

Sl. #	Issues	Recommendations	Follow-up action
1.	Decentralization of restoration & conservation works while retaining the original characteristics of monuments	While policy guidance, setting standards, ensuring the maintenance of quality and former characteristics of the monuments be with the NCCA, implementation of the actual works to be decentralized to the dzongkhags	NCCA and all dzongkhags
2.	Monitoring the movement of tourists	The Department of Tourism (DOT) already working on the issue. NCCA to discuss with the DOT.	NCCA and DOT
3.	Promotion of cultural values	Promotion via the education system	NCCA and the Department of Education
4.	Need for a clear-cut mandate for the NCCA	NCCA to draft its mandate and report to the CCM through PC (promotion and preservation of tradition and cultural values to be included as one of the major components)	NCCA
5.	Preservation of antiques	NCCA to purchase antiques for preservation once funds become available after the establishment of the Cultural Trust Fund.	NCCA
6.	Up-gradation & handing over of the Thimphu Public Library to the Thimphu City Corporation (TCC)	TCC to provide the library services as one of its services.	NCCA and TCC
7.	Strengthening of RAPA	To be further strengthened with a clear division between academic and professional performing groups.	NCCA and RAPA

**ANNEXE I: THE SCHEDULE FOR THE MID-TERM REVIEW MEETING
(17TH FEB TO 24TH FEB 2000)**

Date/Day/Timing	Ministry/Sectors
17.02.2000 – Thursday	Ministry of Finance
10 am – 1.30 pm	Presentation by the Finance Secretary i) Financial Policy ii) Aid & Debt Management iii) Revenue & Expenditure
2 pm – 3.30 pm	Royal Civil Service Commission (RCSC) Presentation by the Secretary i) Overall Human Resource Development
18.02.2000 – Friday	Ministry of Communications
10. am – 1.30 pm	Presentation by the Secretary i) Roads ii) Urban Development & Housing iii) Telecom iv) Civil Aviation v) Road Safety & Transport Authority (RSTA)
2 pm – 3.30 pm	National Environment Commission (NEC) Presentation by the Deputy Minister
21.02.2000–Monday	Ministry of Agriculture
10. am – 1.30 pm	Presentation by the Secretary Major RNR Sectoral Policy Objectives & Strategies: i) Agriculture & FCB (National Food Security & Food self sufficiency ii) Livestock iii) Forestry
2 pm – 3 pm	Bhutan Posts Presentation by the Managing Director
22.0.2.2000 – Tuesday	Ministry of Health & Education
10. am – 1.30 pm	Presentation by the Secretary i) Education ii) Health
2 pm – 3 pm	Royal Institute of Management (RIM) Presentation by the Director
Day – 5	
23.02.2000 – Wednesday	Ministry of Trade & Industry
10 am– 1.30 pm	Presentation by the Secretary i) Trade & Industry ii) Power iii) Geology & Mines & iv) Tourism Authority of Bhutan (TAB)
2 pm – 3 pm	Bhutan Broadcasting Service (BBS) Presentation by the Executive Director
24.02.2000 – Thursday	Ministry of Home Affairs
10 am – 12.30 pm	Presentation by the Home Secretary i) Immigration & Census ii) Survey of Bhutan
12.30 pm – 1.30 pm	National Commission for Cultural Affairs Presentation by the Secretary

ANNEX II: LIST OF PARTICIPANTS - 8th PLAN MTR REVIEW MEETINGS

Day 1 - February 17, 2000

Ministry of Finance

Royal Civil Service Commission

<u>#</u>	<u>NAME</u>	<u>ORGANIZATION</u>	<u>NAME</u>	<u>ORGANIZATION</u>
1.	Hon'ble Chairman	PC	1. Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoF	2. Hon'ble Lyonpo	MoHA
3.	Hon'ble Lyonpo	MoHA	3. Hon'ble Lyonpo	MoFA
4.	Hon'ble Lyonpo	MoFA	4. Hon'ble Lyonpo	MoA
5.	Hon'ble Lyonpo	MoA	5. Dasho Dr. Jigmi Singye	RCSC
6.	Hon'ble Dy. Minister	NEC	6. Dasho Sherub Tenzin	Paro
7.	Dasho Dr. Jigmi Singye	RCSC	7. Mr. Sonam Wangchuk	RMA
8.	Dasho Dorji Tenzin	MoC	8. Mr. Karma Ura	CBS
9.	Dasho Karma Dorji	MTI	9. Mr. Lam Dorji	DBA
10.	Dasho Sherub Tenzin	Paro	10. Mr. Kunzang Namgyel	RCSC
11.	Dasho Wangdi Norbu	MoF	11. Ms. K.C. Thinley	RCSC
12.	Aum Yangki T. Wangchuk	MoF	12. Mr. Achyut Bhandari	MTI
13.	Mr. Sonam Wangchuk	RMA	13. Mr. Kunzang Wangdi	RAA
14.	Mr. Karma Ura	CBS	14. Mr. Tenzin Choeda	MoHE
15.	Mr. Nima Wangdi	DRC	15. Dr. Pem Namgyel	MoHE
16.	Mr. Lam Dorji	DBA	16. Mr. Tashi Tobgyel	MoHE
17.	Mr. Lham Nidup	DBA	17. Mr. Gyeltshen Penjore	MoFA
18.	Mr. Achyut Bhandari	MTI	18. Mr. Daw Tenzin & Officers	PCS
19.	Mr. Kunzang Wangdi	RAA		
20.	Mr. Tenzin Choeda	MoHE		
21.	Mr. Gyeltshen Penjore	MoFA		
22.	Mr. Thinley Namgyel	MoF		
23.	Mr. Tashi Tobgyel	MoHE		
24.	Mr. Tenzin Rigden	Kuensel		
25.	Mr. Kuenga Tshering	CSO		
26.	Mr. Jamyang Galay	CSO		
27.	Mr. Daw Tenzin and Officers	PCS		

Day 2 - February 18, 2000

Ministry of Communications

<u>#</u>	<u>NAME</u>	<u>ORGANIZATION</u>
1.	Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoHA
3.	Hon'ble Lyonpo	MoFA
4.	Hon'ble Lyonpo	MoA
5.	Hon'ble Dy. Minster	MoC
6.	Dasho Dr. Jigmi Singye	RCSC
7.	Dasho Sherub Tenzin	Paro
8.	Dasho Dorji Tenzin	MoC
9.	Dasho Ugyen Tshering	MoFA
10.	Dasho Yeshay Tshering	RSTA
11.	Dr. Pema Jamtsho	MoA
12.	Mr. Tenzin Choeda	MoHE
13.	Mr. Kunzang Wangdi	RAA
14.	Mr. Achyut Bhandari	MTI
15.	Mr. Sonam Wangchuk	RMA
16.	Aum Yanki T. Wangchuk	MoF
17.	Mr. Karma Ura	CBS
18.	Mr. Pema Wangda	NEB
19.	Mr. Rinchen Dorji	MoC
20.	Mr. Lam Dorji	DBA
21.	Mr. Kinley D. Dorji	MoC
22.	Mr. Sangay Tenzin	MoC
23.	Mr. Rin Gyeltshen	MoC
24.	Mr. Tshering Dorji	MoC
25.	Mrs. Dorji Choden	MoC
26.	Mr. Phuntsho Wangdi	TCC
27.	Mr. Sonam Rinchen	MoC
28.	Mr. Harka Tamang	RSTA
29.	Mr. Bhimlal Sharma	MoC
30.	Mr. Pema Dorji	MoC
31.	Mr. Daw Tenzin and Officers	PCS

National Environment Commissions

<u>NAME</u>	<u>ORGANIZATION</u>
1. Hon'ble Chairman	PC
2. Hon'ble Lyonpo	MoA
3. Hon'ble Dy. Minster	MoC
4. Hon'ble Dy. Minister	NEC
5. Dasho Ugyen Tshering	MoFA
6. Mr. Karma Rabten	NEC
7. Mr. Nidup Tshering	NEC
8. Mr. Tashi Tshering	NEC
9. Mr. Rinchen Namgyel	NEC
10. Mr. Kunzang Wangdi	RAA
11. Dr. Pema Jamtsho	MoA
12. Dr. Pem Namgyel	MoHE
13. Mr. Achyut Bhandari	MTI
14. Mr. Sonam Wangchuk	RMA
15. Mr. Lam Dorji	DBA
16. Mr. Pema Wangda	NEB
17. Mr. Thinley Namgyel	MoF
18. Mr. Gyeltshen Penjore	MoFA
19. Mr. Daw Tenzin and Officers	PCS

Day 3 - February 21, 2000

Ministry of Agriculture

<u>#</u>	<u>NAME</u>	<u>ORGANIZATION</u>
1.	Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoA
3.	Hon'ble Lyonpo	MTI
4.	Hon'ble Lyonpo	MoFA
5.	Hon'ble Dy. Minster	MoC
6.	Dasho Pema Wangchuk	MoHA
7.	Dasho Sangay Thinley	MoA
8.	Dasho Tsering Wangda	MoHA
9.	Dasho Sherub Tenzin	Paro
10.	Dasho Dr. Jigmi Singye	RCSC
11.	Mr. Kunzang Wangdi	RAA
12.	Mr. Sonam Wangchuk	RMA
13.	Dr. Pem Namgyel	MoHE
14.	Aum Neten Zangmo	CS
15.	Mr. Tenzin Choeda	MoHE
16.	Aum Yanki T. Wangchuk	MoF
17.	Mr. Lam Dorji	DBA
18.	Mr. Sherub Dorji	MoA
19.	Mr. Pema Wangda	NEB
20.	Mr. Ugyen Thinley	MoA
21.	Mr. Sonam Wangdi	MoA
22.	Mr. Karma Dorji	MoA
23.	Mr. Tenzin	MoA
24.	Dr. Pema Jamtsho	MoA
25.	Mr. Tenzin Chophel	MoA
26.	Mr. Kelzang Tshering	MoA
27.	Mr. Dorji Wangchuk	MoA
28.	Mr. Sangay Wangchuk	MoA
29.	Mr. Gyeltshen Penjore	MoFA
30.	Mr. Lobzang Dorji	MoA
31.	Dr. Pema Chophel	MoA
32.	Mr. Lekzang Dorji	DBA
33.	Dr. Ugyen Tshewang	MOA
34.	Mr. Kencho Wangdi	MOA
35.	Mr. D.B. Rai	MOA
36.	Dr. Gurung	MOA
37.	Chief Research Officer	MoA
38.	Mr. Daw Tenzin and Officers	PCS

Bhutan Postal Corporation

<u>NAME</u>	<u>ORGANIZATION</u>
1. Hon'ble Chairman	PC
2. Hon'ble Lyonpo	MoF
3. Hon'ble Lyonpo	MoFA
4. Hon'ble Dy. Minister	MoC
5. Dasho Pema Wangchuk	MoHA
6. Dasho Tsering Wangda	MoHA
7. Dasho Sherub Tenzin	Paro
8. Dasho Dr. Jigmi Singye	RCSC
9. Dasho Meghraj Gurung	Bhutan Post
10. Mr. Karma Ura	CBS
11. Mr. Kunzang Wangdi	RAA
12. Aum Neten Zangmo	CS
13. Mr. Lam Dorji	DBA
14. Mr. Pema Wangda	NEB
15. Mr. Gyem Tshering	Bhutan Post
16. Mr. Daw Tenzin and Officers	PCS

Day 4- February 22, 2000

Ministry of Health and Education

Royal Institute of Management

#	<i>NAME</i>	<i>ORGANIZATION</i>	<i>NAME</i>	<i>ORGANIZATION</i>
1.	Hon'ble Chairman	PC	1. Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoA	2. Hon'ble Lyonpo	MoF
3.	Hon'ble Lyonpo	MTI	3. Dasho Tsering Wangda	MoHA
4.	Hon'ble Lyonpo	MoFA	4. Dasho Sherub Tenzin	Paro
5.	Hon'ble Dy. Minster	MoC	5. Dasho Sangay Wangchuk	NCCA
6.	Dasho Pema Wangchuk	MoHA	6. Mr. Karma Ura	CBS
7.	Dasho Sangay Wangchuk	NCCA	7. Dr. Pem Namgyel	MoHE
8.	Dasho Dr. Jigmi Singye	RCSC	8. Aum Neten Zangmo	CS
9.	Dasho Tsering Wangda	MoHA	9. Mr. Lam Dorji	DBA
10.	Dasho Sherub Tenzin	Paro	10. Mr. Pema Wangda	NEB
11.	Dr. Pem Namgyel	MoHE	11. Mr. Tshering Tobgay	NTTA
12.	Dr. Pema Jamtsho	MoA	12. Mr. Pema Thinley	MoHE
13.	Aum Neten Zangmo	CS	13. Dr. Sangay Thinley	MoHE
14.	Mr. Karma Ura	CBS	14. Mr. Phub Rinchen	MoHE
15.	Mr. Kunzang Wangdi	RAA	15. Mr. Tenzin Choeda	MoHE
16.	Mr. Pema Thinley	MoHE	16. Mr. Tashi Norbu	MoHE
17.	Dr. Gado	MoHE	17. Mr. Jambay Wangchuk	MoHE
18.	Dr. Sangay Thinley	MoHE	18. Mr. Jit Tshering	RIM
19.	Mr. Pema Wangda	NEB	19. Mr. Jigme Namgyel	RIM
20.	Mr. Lam Dorji	DBA	20. Mr. Phurba Tshering	DBA
21.	Mr. Tenzin Choeda	MoHE	21. Mr. Indraman Chetri	RIM
22.	Mr. Jambay Wangchuk	MoHE	22. Aum Namgay Om	RIM
23.	Mr. Phub Rinchen	MoHE	23. Mr. Daw Tenzin and Officers	PCS
24.	Mr. Tashi Norbu	MoHE		
25.	Mr. Tshering Tobgay	NTTA		
26.	Mr. Thinley Wangdi	MoHE		
27.	Mr. Phurba Tshering	DBA		
28.	Ms. Tashi Om	NTTA		
29.	Mr. Thinley Dorji	MoHE		
30.	Mr. Pemba	MoHE		
31.	Mr. Daw Tenzin and Officers	PCS		

Day 5 - February 23, 2000

Ministry of Trade and Industry

#	<u>NAME</u>	<u>ORGANIZATION</u>
1.	Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoF
3.	Hon'ble Lyonpo	MTI
4.	Hon'ble Dy. Minister	MoC
5.	Dasho Sherub Tenzin	Paro
6.	Dasho Pema Wangchuk	MoHA
7.	Dasho Karma Dorji	MTI
8.	Mr. Pema Wangda	NEB
9.	Mr. Karma Ura	CBS
10.	Mr. Kunzang Wangdi	RAA
11.	Dr. Pema Jamtsho	MoA
12.	Mr. Tenzin Choeda	MoHE
13.	Aum Neten Zangmo	CS
14.	Mr. Lam Dorji	DBA
15.	Mr. Sonam Tshering	MTI
16.	Mr. Dorji Wangda	MTI
17.	Mr. Tshering Yonten	MTI
18.	Mr. Achyut Bhandari	MTI
19.	Mr. Sonam Phuntsho	MTI
20.	Mr. Thinley Namgyel	MoF
21.	Mr. Thuji Nadik	MTI
22.	Mr. Gyembo Dorji	MTI
23.	Mr. Thinley Wangchuk	MTI
24.	Mr. Sangay Wangdi	MTI
25.	Mr. Kul Bahadur	MTI
26.	Mr. Kunzang Wangdi	RAA
27.	Mr. Bharat Tamang	MTI
28.	Mr. Mani Kumar	MTI
29.	Mr. Tandin Tshering	MTI
30.	Mr. Dophu Tshering	MTI
31.	Mr. Phub Dorji	MTI
32.	Mr. Dorji Wangdi	MTI
33.	Mr. Sonam Dorji	MTI
34.	Mr. Nima Dorji	MTI
35.	Mr. Dharaj Subba	MTI
36.	Mr. Tempa Jurmin	MTI
37.	Ms. Pem Sedon	MTI
38.	Mr. Daw Tenzin and Officers	PCS

Bhutan Broadcasting Service

<i>NAME</i>	<i>ORGANIZATION</i>
1. Hon'ble Chairman	PC
2. Hon'ble Lyonpo	MTI
3. Hon'ble Lyonpo	MoA
4. Hon'ble Dy. Minister	MoC
5. Dasho Sherub Tenzin	Paro
6. Mr. Lam Dorji	DBA
7. Mr. Achyut Bhandari	MTI
8. Mr. Thinley Tobgay	BBS
9. Mr. Kinga Singay	BBS
10. Aum Neten Zangmo	CS
11. Mr. Pema Wangda	NEB
12. Mr. Kunzang Wangdi	RAA
13. Mr. Karma Ura	CBS
14. Mr. Daw Tenzin and Officers	PCS

Day 6 - February 24, 2000

Ministry of Home Affairs

#	<i>NAME</i>	<i>ORGANIZATION</i>
1.	Hon'ble Chairman	PC
2.	Hon'ble Lyonpo	MoHA
3.	Hon'ble Lyonpo	MoF
4.	Hon'ble Lyonpo	MTI
5.	Hon'ble Dy. Minister	MoC
6.	Dasho Dr. Jigmi Singye	RCSC
7.	Dasho Sherub Tenzin	Paro
8.	Dasho Karchung	MoHA
9.	Dasho Pema Wangchuk	MoHA
10.	Mr. Achyut Bhandari	MTI
11.	Mr. Kunzang Wangdi	RAA
12.	Mr. Karma Ura	CBS
13.	Mr. Sonam Wangchuk	RMA
14.	Dr. Pem Namgyel	MoHE
15.	Mr. Tenzin Choeda	MoHE
16.	Aum Neten Zangmo	CS
17.	Mr. Nob Tshering	MoHA
18.	Mr. Tashi Gyeltshen	MoHA
19.	Mr. Sithar Namgyel	MoHA
20.	Mr. Lam Dorji	DBA
21.	Mr. Pema Wangda	NEB
22.	Mr. Daw Tenzin and Officers	PCS