

As Honourable Members of the National Assembly are aware, Bhutan adopted the course of planned development of its economy and for the uplift of its people more than a decade ago. The First Five Year Plan which started in 1961 was designed to open the country by improving communications, and providing basic social amenities to its people. The Second and Third Five Year Plans continued this trend and at the same time concentrated on the settings up of infra-structural facilities like roads, means of communication, power, irrigation, medical and educational facilities which had been absent for so many centuries have been created. Inaccessible areas have been opened, and development organization has been set up to promote extension activities. Living standards of the people have been improved, and a general awareness has been created towards the potential for future growth.

2. An endeavour will be made during the Fourth Plan to further improve the economic conditions and living standards of the people. No real improvement can be made in living standards and no progress can be achieved without an adequate growth of economy and generation of increased incomes. The major sectors contributing towards our national income are Agriculture, Livestock, Forests and Small Industries. The major effort during Fourth Plan will, therefore, be concentrated towards growth of these sectors on our economy. Special efforts will be made to increase out-put from agriculture, animal husbandry, forestry and small industries. Since majority of His Majesty's subjects are closely associated with agriculture and live-stock, it is hoped that the benefits of increased productivity in these sectors will directly accrue to vast majority of the people. Due attention will also be paid to development of mineral resources, power, communications, tourism, trade and commerce. At the same time, efforts would be made for expansion of the basic facilities like education, health, nutrition and wholesome drinking water supply etc.

3. The Fourth Five Year Plan which has commenced from 1-4-1976 was framed after taking the above factors into account. A summary of the programmes proposed to be included in the Draft Fourth Five Year Plan (1976-81) was submitted to the National Assembly in its last session. Some changes were made in the Draft Plan by the Planning Commission. Details of estimated outlay in different sectors of the economy as they appear in the approved version of the Plan are given below:-

Sl. No.	Ministry/Department	(Nu. in lakhs)		
		Gross Outlay	Expected UNICEF/UNDP Assistance	Net outlay for Govt. of Bhutan
A. MINISTRY OF DEVELOPMENT				
1. <u>Agriculture:-</u>				
	i) Irrigation & Food Protection	628.77	-	623.77
	ii) Agriculture	1561.71	348.08	1213.63
	iii) Food Corporation	100.00	-	100.00(a)
		<u>2290.48</u>	<u>348.08</u>	<u>1942.40</u>
2.	Animal Husbandry	614.90	184.30	430.60
3.	Education	1346.01	45.26	1300.75(b)
4.	Hydel (Power)	405.00	-	405.00(c)
5.	Health	545.82	62.11	483.71

6.	Head-quarters:-			
	i) Secretariat	120.74	-	120.74
	ii) Planning Headquarters	13.30	-	13.30
	iii) District Planning & Coordination	76.20	-	76.20
	iv) Manpower Expert	45.22	-	45.22
	v) Statistics	30.57	-	30.57
	vi) Finance & Accounts Cell	56.99	-	56.99
		<u>343.02</u>	-	<u>343.02</u>
7.	<u>Information:-</u>			
	i) Information & Publicity	55.47	-	55.47
	ii) Press	54.94	13.28	41.66
		<u>110.41</u>	<u>13.28</u>	<u>97.13</u>
8.	Posts & Telegraphs	169.05	-	169.05
9.	Public Works Department	1283.19	101.09	1182.10(d)
	TOTAL – Ministry of Development	7107.88	754.12	6353.76

Sl. No.	Ministry/Department	(Nu. in lakhs)		
		Gross Outlay	Expected UNICEF/ UNDP Assistance	Net outlay for Govt. of Bhutan
B.	MINISTRY OF TRADE, INDUSTRY & FORESTS			
10.	Industries	300.00	-	300.00(e)
11.	Forests	1102.62	282.79	819.83
	Total – Ministry of Trade, Industry & Forests	1402.62	282.79	1119.83
12.	<u>C. MINISTRY OF COMMUNICATIONS</u>			
	i) Secretariat	18.20	-	18.20
	ii) Broadcasting Station	10.00	-	10.00(f)
	iii) Civil Wireless	54.21	-	54.21
	iv) Telephones	<u>290.95</u>	-	<u>290.95</u>
	TOTAL – Ministry of Communications	<u>373.36</u>	-	<u>373.36</u>
D.	<u>MINISTRY OF FINANCE</u>			
13.	Tourism	125.00	-	125.00(g)
	GRAND TOTAL (A-D)	9008.86	1036.91	7971.95

Notes:-

Agriculture (Food Corporation)

- a) Trading operations of the Corporation are financed principally by borrowings from the Bank of Bhutan. No provision for this has been made here.

Education

- b) The cost of nutritive food expected to be supplied by UNICEF and local food to be supplied by parents contribution for Nutrition programme for Primary School Children will be in addition to allocation shown here.

Hydel (Power)

- c) Outlay on Chukha Hydro-electric Project will be in addition to allocation show here.

Public Works Department

- d) UNICEF assistance for Rural Water Supply Schemes will be in addition to allocation shown here.
- Labour for Rural Drinking Water Supply Schemes, village type-semi-permanent bridges, timber bridges, village roads, mule-tracks etc. will be contributed free by the people through whom these works will be done. Its cost has not been included in figures shown here.

Industries

- e) Contribution of Foundation Pro-Bhutan of Switzerland for Bumthang Dairy and Forestry Project will be in addition to the amount shown here.

Broadcasting Station

- f) Ad-hoc provision has been made as the details are awaited from Government of India.

Tourism

- g) This is only for capital outlay on Development of Tourism.

4. It will be noticed from the details given above that size of the Fourth Plan will nearly be double the size of Third Plan. Active co-operation of the people is essential in implementation of the Plan: particularly in such areas of immediate interest to them as construction of mule tracks, rural roads and bridges, rural water supply schemes, irrigation facilities, schools and dispensaries.

5. The Honourable Members may kindly recall that it was indicated in the last session of the National Assembly that final outlay and the content of the Plan would be decided after discussions with the Government of India. A delegation of the Royal Government of Bhutan headed by Dasho Lam Penjor, Secretary (Development) visited New Delhi from 9-3-1976 to 12-3-1976. It was decided during the discussions with the Government of India that total outlay on the Fourth Plan would be Nu.7779.97 lakhs; out of which Government of India's net contribution would be Nu.7029.97 lakhs. It was also agreed that the Govt. of India would provide additional funds where necessary for the following projects. As a result, the financial assistance from international organizations towards these Projects would be correspondently reduced.

Sl.No.	Project	Additional to be provided by Govt. of India
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1.	Sarbhong – Geylegphug Agriculture Development Project.	300.00
2.	Fishery Project	2.00
3.	Animal Food Plant Project	12.00
4.	Poultry Project	11.80
5*.	Fruit Canning Project	5.00
6*.	Dairy Farm Project	25.00

(*new projects not included in the Fourth Five Year Plan)

A final version of the Fourth Five Year Plan incorporating these changes would be published shortly.

Plan Budget for 1976-77

6. The Royal Government of Bhutan proposes to incur an expenditure of Nu.1296.11 lakhs on development activities during the first year (1976-77) of the Fourth Plan. The sector-wise break-up of this outlay is given below:-

PLAN BUDGET ESTIMATE 1976-77

(Nu. in lakhs)				
Sl. No.	Ministry/Department	B.E 76-77	Expected UNDP/UNICEF Assistance	Net for Govt. of Bhutan
<u>MINISTRY OF DEVELOPMENT</u>				
1.	<u>Agriculture</u>			
	i) Irrigation & Flood Protection	70.00	-	70.00
	ii) Agriculture	183.88	-	183.88
	iii) Co-operation/ Food Corporation of Bhutan.	15.00	-	15.00
	Total-Agriculture	268.88	-	268.88

(Nu. in lakhs)				
Sl. No.	Ministry/Department	B.E 76-77	Expected UNDP/UNICEF Assistance	Net for Govt. of Bhutan
2.	Animal Husbandry	84.16	3.22	80.94
3.	Education	209.87	8.64	201.23
4.	Hydel (Power)	82.99	-	82.99
5.	Health	92.27	13.70	78.57
6.	<u>Headquarters:-</u>			
	i) Secretariat	14.70	-	14.70
	ii) Planning Headquarters	2.50	-	2.50
	iii) District Planning & Co-ordination	9.85	-	9.85
	iv) Manpower	8.00	-	8.00
	v) Finance & Accounts			

	cell	9.49	-	9.49
	vi) Statistics.	3.45	-	3.45
	Total-Headquarters	47.99	-	47.99
7.	<u>Information:-</u>			
	i) Information &Publicity	7.14	-	7.14
	ii) Press	31.69	13.28	18.41
	TOTAL-Information	38.83	13.28	25.55
8.	Posts & Telegraphs	33.30	-	33.30
9.	P.W.D	160.29	-	160.29
	TOTAL-Ministry of Development	1018.58	38.84	979.74
	MINISTRY OF TRADE, INDUSTRY & FORESTS			
10.	Industries	68.12	-	68.12
11.	Forests	238.74	78.74	160.00
	TOTAL-Ministry of Trade, Industry & Forests	306.86	78.74	228.12
12.	Ministry of Communications	68.25	-	68.25
13.	<u>Ministry of Finance</u>			
	Tourism	20.00	-	20.00
	TOTAL-Ministry of Finance	20.00	-	20.00
	GRAND TOTAL	1413.69	117.58	1296.11
	Plan Assistance from the Government of India			1200.00

7. The Government of India have agreed to make available a financial assistance of Nu.1200.00 lakhs for the first year (76-77) of the Plan. The Plan Budget estimates 1976-77 assume that UNDP/UNICEF assistance of Nu.117.58 lakhs may be available for Plan Projects during 1976-77. The exact nature and content of this assistance will depend upon agreements reached with UNDP/UNICEF and progress made on projects undertaken with their assistance.