

### **General Development Highlights:**

The parliamentary discussions in the 85th National Assembly session saw increased and more forthright questioning of government decisions, as against the highly consultative nature of the body not long ago. However, there are general concerns among the public about the discourses losing national relevance and the future of such assembly debates during and post 2008.

The public deliberations on the Constitution have ended. The process was as much an awareness raising and educational forum as it was a public consultation process. In preparation for parliamentary democracy, the country has been divided into electorates, requiring new demarcations of districts and geogs. Bhutan would now have 211 geogs as opposed to the current number of 201. Four constitutional posts (Chief Election Commissioner, Auditor General, Chairperson of the Anti-Corruption Commission, and Attorney General) have been created and several Bills and Acts in preparation for a Democratic Constitutional Monarchy have been passed.

The overall goal of the 10th five-year plan would be poverty reduction. Within this goal, the themes and issues of priority for the 10th five-year plan and beyond as indicated during the Round Table Meeting (February 2006), the highest aid coordination body for Bhutan, are: meeting the millennium development goals; good governance/decentralization; private sector development; and employment generation, specifically for the increasing number of youths seeking employment. The need for improved coordination and harmonized efforts among donors in the country is an issue of common concern. The UNDP in Bhutan, together with the Department of Aid and Debt Management as the aid coordinating body, have made some strides in this direction. The stalled process in the re-integration of refugees continues to be a common concern.

The adoption of planning and management procedures that meets new behaviors in the conduct of development processes is underway. The Alternative Planning Framework is expected to provide a results oriented frame based on realistic fiscal projections, which also seeks to link development programmes with national goals and objectives while leaving space for a medium term perspective (through the Medium-term Fiscal Framework) on five-year plans. The financing modality most likely to be propounded by the RGoB is budgetary support to allow for greater flexibility in planning and resource allocation as well as for the provision of annual grants to local governments based on set criteria as against the practice of sector-wise dole outs from the central government.

Updated statistics and disaggregated data has always been a challenge in Bhutan. With the release of Bhutan's first population and housing census, as well as the foreseen finalization of the skeletal framework for the national poverty monitoring and assessment system is expected to help the identification and prioritization of development activities.

### **Programme Coordination Office**

The new Programme Director for Helvetas/SDC Coordination Office (CoOf), Mr. E. Werner Kuelling, replaced Mr. Erwin Koenig.

Discussions are underway for the future Swiss support in the country. A mission has been finalized for the second half of 2006 to lay the grounds for the Helvetas programme planning 2007-2012. A draft strategy document is expected before the end of 2006.

Some initiatives have been taken to progress from a purely activity-based monitoring and reporting: for the bi-annual joint monitoring and discussions forum with project partners/collaborators to be focused on selected issues; and refinement of guidelines for more outputs and outcomes based reporting. Additionally, the web page is undergoing reforms to offer updated information about programmes and projects. However, the quality of reports both from projects and CoOf is an area that could still improve.

CoOf continues to be a part of steering committees of projects, joint donor meetings, bilateral cooperation with partners and other donors.

### **Highlights Small Action/Cross-Cutting/Others (not included in the project contributions)**

**Vocational Education and Training (VET) System Development Project:** The overall goal of the VET System Development Project (1 June 2006 – 31 December 2007) is to improve the relevance and quality of the vocational education and training system in Bhutan in order to help produce a skilled and productive national workforce. The project would consolidate and further build on initiatives that were begun through a Bhutan-German collaboration in promoting vocational education and training. The focal partner in this project is the Ministry of Labor and Human Resources.

**Bio Bhutan** has been registered as a Pioneer Enterprise, and not yet a Private Limited. The enterprise has sought to consolidate its ongoing activities while streamlining its financial management (example: sensitivity analysis of products to determine investment decisions and enable a reasonable estimate of expense and profit estimates for cordyceps, cheese and lemon grass air spray). More recently, the Enterprise is seeking to enter into collaboration with a foreign firm for the export of organic red rice. CoOf continues to provide financial and management assistance through representation at the Enterprise's Advisory Board.

**The Tarayana Foundation** through Helvetas's support, the Foundation has been intensively involved in reviving traditional skills (nettle weaving, pottery, Bhutanese paper making, carpentry, cane and bamboo products) and introducing relevant artisan skills (candle making, soap etc) to enhance rural income for socio-economic security. The strategy of the Foundation of targeting very remote and rural population, including 'indigenous' communities, have led to increased awareness and attention from other agencies in bringing them into mainstream development. However, the Foundation faces the challenge of activities that are spread over many remote communities. CoOf is currently discussing the possibility of providing technical assistance in the area of NGO institutional management to the Foundation and other NGOs.

**Support for E-governance:** Supported by SDC, the objective of the project was to create a “Smart Government” model within the Ministry of Information and Communications (MoIC), and later replicated to other government agencies. The project has resulted in establishing the necessary hardware and software for developing e-governance applications, including for document management and increasing the effectiveness of on-line communications between departments within the MoIC.

**Others:** An assessment of the quality of potable water and its accessibility particularly to women and children is ongoing. The assessment seeks to probe further into preliminary findings of water borne diseases affecting people, specifically children, in many communities in Trashigang (east). The assessment is expected to inform and prompt relevant agencies to intervene.

The “Sports for Education” with the two National Institutes of Education (NIEs) have contributed towards increasing awareness and interest in the importance of physical activities and sports through a sports seminar and fairs at both Samtse and Paro. “The Sports for All” with the Youth Development Fund has reached a wide group of unconventional target – young monks, children with various disabilities and juvenile delinquents.