

Embassy of India

Thimphu

Press Release : Nu./Rs. 3.72 billion released by Government of India for Development Projects of Bhutan



Following the 3rd Bhutan - India Development Cooperation Talks for the 12th Five Year Plan, Government of India today released an amount of Nu./Rs. 3.72 billion for various Development Projects of Bhutan. These Development Projects include the High Impact Community Development Projects (HICDPs), the Trade Support Facility (TSF) and the Program Grant.

For the 12th Five Year Plan of Bhutan, Government of India has committed Nu./Rs. 45 billion, out of which Nu./Rs. 28 billion has been earmarked for 82 Project Tied Assistance (PTA) Projects, Nu./Rs. 8.5 billion is being spent on implementing 542 High Impact Community Development Projects (HICDPs) and Nu./Rs. 8.5 billion is being given as the untied Program Grant to the Royal Government. In addition, India has also committed Nu./Rs. 4 billion as Transitional Trade Support Facility for the 12th Plan Period.

From the current release, Government of India will provide support of Nu./Rs. 2.07 billion

to 309 HIDCP Projects. Also known as the Small Development Projects, these are small-scale Community Projects in the sectors of Health, Education, Water, Irrigation, Farm Roads and Infrastructure. Spread all across Bhutan, these Projects are being implemented in a decentralised fashion by various *Dzongkhags* and *Thromdes*.

In order to upgrade the Trade Infrastructure of Bhutan, improve Ease of Doing Business and strengthen bilateral economic linkages, an amount of Nu./Rs. 80 million has been provided in this release toward the transitional Trade Support Facility. Under this facility, the Pasakha Dry Port is being constructed, feasibility studies of Nganglam and Gelephu Dry Ports is being conducted and Bhutan Integrated Taxation System, one of the components of the flagship Digital *Drukyl* is being implemented, among others.

Further, to facilitate the Royal Government in implementing its development agenda, an amount of Nu./Rs. 85 million has been provided out of the present release as Program Grant. The Program Grant facility is an untied grant in form of direct budgetary support to the finances of the Royal Government.

Going forward, the people and the Government of India are resolute in their commitment to the equitable, inclusive and sustainable development of Bhutan in consonance with the principles of Gross National Happiness.

23 September 2021